OFFERING CIRCULAR

Scotiabank Chile

SCOTIABANK CHILE

(*a Bank incorporated in the Republic of Chile*)

U.S.$3,000,000,000
Medium-Term Note Program

Under this U.S.$3,000,000,000 Medium-Term Notes Program (the "Program"), Scotiabank Chile (the "Issuer" or "Scotiabank Chile") may from time to time issue medium-term notes ("Notes") which may be issued on a senior or subordinated basis. The Notes will be denominated in any currency agreed upon between the Issuer and the relevant Dealer (as defined below).

Notes may be issued either in bearer form or in registered form and in each case in the nominal amount of the denomination specified in the applicable pricing supplement (the "Pricing Supplement"). The maximum aggregate principal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$3,000,000,000 (or its equivalent in other currencies), subject to increase as described in this Offering Circular.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Program" and any additional Dealers appointed under the Program from time to time by the Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and quotation of, any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the "Official List"). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein or the relevant Pricing Supplement for the Notes. Admission to the Official List of, and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or such Notes. Any approval in-principle of the SGX-ST for the listing and quotation of any Series (as defined below) of Notes on the SGX-ST is subject to changes in the SGX-ST's policies.

The Program provides that the Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. The Issuer may also issue unlisted Notes.

Notes to be listed on the SGX-ST will be accepted for clearance through either The Depository Trust Company ("DTC") or Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg").

See the section entitled "Risk Factors" beginning on page 5 of this Offering Circular for a discussion of certain risks that should be considered in connection with an investment in the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any U.S. securities laws and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons except persons reasonably believed to be qualified institutional buyers ("QIBs") in accordance with Rule 144A under the Securities Act ("Rule 144A") or outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S") or pursuant to another exemption from the registration requirements of the Securities Act. See "Plan of Distribution."

Arrangers and Dealers

Scotiabank **BofA Securities** **Goldman Sachs** **J.P. Morgan**

The date of this Offering Circular is April 4, 2025.

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IMPORTANT NOTICE

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances under which they were made, misleading. The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the Program and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

No person is or has been authorized to give any information or to make any representation not contained in, or not consistent with, this Offering Circular, any supplementary offering circular (as defined below), any information incorporated by reference herein or therein or any other information supplied in connection with the Program or the Notes and, in respect of each Tranche (as defined below) of Notes, the applicable Pricing Supplement, in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of the Dealers. Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Program is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers expressly do not undertake to any investor or prospective investor or purchaser to review the financial conditions or affairs of the Issuer during the life of the Program or to advise any investor in the Notes of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. None of the Issuer and the Dealers represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (the "EEA"), the United Kingdom, Australia, Brazil, Chile, Dubai, Hong Kong, Japan, Peru, Singapore and Switzerland. See "Transfer and Selling Restrictions." The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of U.S. persons (as defined in Regulation S) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "Description of the Notes—Forms of Notes" for a description of the manner in which the Notes will be issued. The Notes are subject to certain restrictions on transfer, as discussed in more detail under "Transfer and Selling Restrictions."

This Offering Circular is to be read in conjunction with any Supplementary Offering Circular to this Offering Circular and, in relation to any Tranche or Series of Notes, should be read and constituted together with any applicable Pricing Supplement. Any reference herein to "Offering Circular" means this document together with the documents incorporated by reference herein and any such Supplementary Offering Circular and the documents incorporated by reference therein.

U.S. INFORMATION: This Offering Circular may be provided in the United States on a confidential basis to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of Notes offered hereby pursuant to Rule 144A, provided that any such Offering Circular shall include, by amendment, supplement or otherwise, such information as may be required pursuant to Rule 144A(d)(4) under the Securities Act. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Notes is hereby notified that the offer and sale of any Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note (as defined under "Description of the Notes—Forms of Notes—Registered Notes") or any Notes issued in registered form in exchange or substitution therefor (together "Legended Notes") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "Transfer and Selling Restrictions."

MiFID II PRODUCT GOVERNANCE / TARGET MARKET: The applicable Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET: The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRIIPs / IMPORTANT—EEA RETAIL INVESTORS: If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors," the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) No 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs / IMPORTANT—UNITED KINGDOM RETAIL INVESTORS: If the applicable Pricing Supplement for the Notes issued under this Pricing Supplement includes a legend entitled "Prohibition of Sales to UK Retail Investors," such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE: Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Program are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

None of this Offering Circular, any supplement hereto, any information incorporated by reference herein or therein and, in respect to each Tranche of Notes, the applicable Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes or are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Dealers that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Note nor are they intended to provide the basis of any credit or other evaluation. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own independent investigation and appraisal of the condition (financial or otherwise) of, and its overall appraisal of the creditworthiness of, the Issuer and the terms of the relevant Notes including the merits and risks involved.

The Dealers have not independently verified the information contained herein. None of the Dealers makes any representation, warranty, or undertaking, express or implied, or accepts any responsibility or liability, for any act or omission of the Issuer or any other person in connection with the issue and offering of the Notes. Neither this Offering Circular nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes. Potential purchasers cannot rely, and are not entitled to rely, on the Dealers in connection with their investigation of the accuracy of any information or their decision whether to purchase or invest in the Notes. None of the Dealers undertakes to advise any investor or potential investor in or purchaser of the Notes of any information coming to the attention of any of the Dealers. The Dealers accept no liability in relation to any information contained herein or incorporated by reference herein or any other information provided by the Issuer in connection with the Notes, except for any liability arising from or in respect of any applicable law or regulation.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

The Notes may not be suitable for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of the potential investor's own circumstances. In particular, each potential investor, either on its own or with the help of its financial or other professional advisers, should consider whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any Supplemental Offering Circular or any applicable Pricing Supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on the potential investor's overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which the potential investor's financial activities are denominated principally;

(iv) understands thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect the potential investor's investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it considers that it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effect on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

CERTAIN DEFINED TERMS

In this Offering Circular, all references to the "Bank" are to the group of companies for which the Issuer is the parent company, except where it is clear from the context that the term refers to any particular company or a group of companies.

As used in this Offering Circular, the term "billion" means one thousand million (1,000,000,000).

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "U.S.$" and to "U.S. dollars" are to the currency of the United States of America, to "Ch$," "Chilean pesos" and "pesos" are to the currency of Chile, to "euro" and "€" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended and references to "Sterling" are to the currency of the United Kingdom. References to "UF" are to Unidades de Fomento. The UF is an inflation-indexed Chilean monetary unit with a value in Chilean pesos that changes daily to reflect changes in the official Consumer Price Index ("CPI") of the Chilean National Institute of Statistics (*Instituto Nacional de Estadísticas*) for the previous month.

In this Offering Circular, references to the "BIS" are to the Bank for International Settlement, and references to "BIS ratio" are to the capital adequacy ratio as calculated in accordance with the Basel Capital Accord. References to the "Central Bank" are to the Banco Central de Chile. References to the "CMF" are to the Financial Market Commission, the legal successor of the Chilean Superintendency of Banks and Financial Institutions ("SBIF") since June 1, 2019.

PRESENTATION OF FINANCIAL INFORMATION

General

This Offering Circular contains the Bank's audited consolidated financial statements as of and for the year ended December 31, 2024, together with the comparative figures as of and for the year ended December 31, 2023 (the "2024 Audited Consolidated Financial Statements") and as of and for the year ended December 31, 2023, together with the comparative figures as of and for the year ended December 31, 2022 (the "2023 Audited Consolidated Financial Statements" and, together with the 2024 Audited Consolidated Financial Statements, the "Audited Consolidated Financial Statements"). The notes to the Audited Consolidated Financial Statements form an integral part of the Audited Consolidated Financial Statements and contain additional information and narrative descriptions or details of these financial statements.

Chilean Bank GAAP

Scotiabank Chile is a Chilean bank. The Bank maintains its financial books and records in Chilean pesos and prepares its audited consolidated financial statements in accordance with the accounting standards and instructions provided by the CMF.

The Audited Consolidated Financial Statements have been prepared and presented in accordance with the standards and instructions provided by the CMF which reflect the new version of the Compendium of Accounting Standards (the "Compendium") as issued by the CMF on December 20, 2019 and effective as of January 1, 2022 ("Chilean Bank GAAP"). With respect to any items not addressed in Chilean Bank GAAP, and as long as they do not contradict its instructions, the Bank must apply the generally accepted accounting principles issued by the Colegio de Contadores de Chile A.G. that has adopted the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) as the national accounting standards of Chile.

Differences between IFRS and Chilean Bank GAAP

Chilean Bank GAAP, as prescribed by the Compendium, differs in certain respects from IFRS. The main differences include the following:

Suspension of Income Recognition on Accrual Basis

Under Chilean Bank GAAP, financial institutions must suspend recognition of income on an accrual basis in their statements of income when any installment of the loan has been past due for over 90 days. Interest income is recognized only when the income is effectively received. IFRS 9 does not allow the suspension of accrual of interest on financial assets for which an impairment loss has been determined. Under IFRS 9, interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for financial assets that have subsequently become credit-impaired (or "Stage 3"), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e., net of expected credit loss provision). Off-balance interests are recorded as interest income only if the related payments are received.

Write-offs and Accounts Receivable

Chilean Bank GAAP require companies to establish deadlines for the write-off of loans and accounts receivable. IFRS does not require any such deadline for write-offs. A write-off due to impairment would be recorded, if and only if, all efforts at collection for the full or partial loan or accounts receivable had been exhausted. Accordingly, this difference does not materially impact the Audited Consolidated Financial Statements.

Assets Received In Lieu of Payment

Chilean Bank GAAP require that the initial value of assets received in lieu of payment be the value agreed upon with a debtor as a result of the loan settlement or the value awarded in an auction, as applicable. These assets are required to be written off one year after their acquisition, if the assets have not been previously disposed of. IFRS requires that assets received in lieu of payment be initially accounted for at fair value. Subsequently, asset valuation depends on the classification provided by the entity for that type of asset. No deadline is established for charging-off an asset.

Allowances for Credit Losses

According to both Chilean Bank GAAP and IFRS, allowances for credit losses are calculated using expected loss models. The main difference between Chilean Bank GAAP and IFRS 9 regarding allowances for credit losses is that allowances for credit losses under Chilean Bank GAAP are calculated using expected loss models based on specific guidelines set by the CMF. The models adopted with IFRS 9 use an expected loss approach, however these are not in accordance with specific guidelines under Chilean Bank GAAP given by the CMF. The CMF has not yet adopted IFRS 9.

Provisions for Country Risk and for Contingent Loan Risk

Under Chilean Bank GAAP, the Bank provisions for country risk to cover the risk taken when holding or committing resources with any foreign country. These allowances are established in accordance with country risk classifications established by the CMF and, therefore, are not in accordance with IFRS. Also under Chilean Bank GAAP, the Bank can establish allowances related to the undrawn available credit lines and contingent loans in accordance with the CMF. Under IFRS 9, provisions for contingent loans are calculated based on expected credit loss.

Provision for Minimum Dividends

Article No.79 in Chile's Law of Public Companies establishes 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 line item "Provisions" with a debit to the account "Provisions for minimum dividends" in equity.

Additional Provisions for Loans

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

Derivative and Hedging Accounting

In accordance with Chilean Bank GAAP, financial instruments that have an embedded derivative that should, but which is not possible to, be valued separately are to be measured at their fair value, with changes in fair value accounted for as profit or loss in the income statement. In accordance with IFRS, an entity can elect to designate a financial liability in the scope of IFRS 9 as at fair value through profit or loss (even though the instrument would not meet the definition of held for trading). This option is available as noted under the section below detailing irrevocable options for hybrid financial liabilities (which include embedded derivatives). In accordance with Chilean Bank GAAP, variations in the fair value hedge related to an asset, liability or an unrecognized firm commitment could be due to a change in interest rates for fixed rate loans, foreign currency, equity and commodity prices. Any profits or losses on both hedging instrument and hedged item shall be accounted for as profit or loss in the income statement in each accounting period. In accordance with IFRS, if the hedged item is an equity instrument accounted for at its fair value through other comprehensive income, any variation in the fair value of the hedging instrument should also be accounted for in other comprehensive income with no subsequent reclassification. Dividend income is recognized in profit or loss.

Re-recognition of Written-off Transactions

In accordance with Chilean Bank GAAP, written-off loans that are renegotiated should be re-recognized when they are upgraded from the impaired loan portfolio classification. IFRS does not provide specific guidance on the timing of recognizing recoveries of amounts previously written off. Entities generally may apply any of the following criteria: (i) re-recognition when cash is received, (ii) when recovery is virtually certain or (iii) an alternative probability-based approach.

Functional and Presentation Currency

The Chilean peso is the currency of the primary economic environment in which the Bank operates and the currency that influences its structure of costs and revenues, and the Chilean peso has, therefore, been defined as the functional and presentation currency of the Issuer.

Rounding

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments for ease of presentation. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Percentage figures included in this Offering Circular have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Bank's public communications often include oral or written forward-looking statements. Statements of this type are included in this Offering Circular or in other communications. All such statements are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Chilean securities legislation. The forward-looking statements in this Offering Circular and the documents incorporated by reference include, but are not limited to, statements regarding the Bank's objectives, strategies to achieve those objectives, the regulatory environment in which the Bank operates, anticipated financial results, and the outlook for the Bank's businesses and for the Chilean, U.S. and global economies. Such statements are typically identified by words or phrases such as "believe," "expect," "foresee," "forecast," "anticipate," "intend," "estimate," "plan," "goal," "project," and similar expressions of future or conditional verbs, such as "will," "may," "should," "would" and "could."

By their very nature, forward-looking statements require the Bank to make assumptions and subject to inherent risks and uncertainties, which give rise to the possibility that the predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Bank's assumptions may not be correct and that the Bank's financial performance objectives, vision and strategic goals will not be achieved.

The Bank cautions readers not to place undue reliance on these statements as a number of risk factors, many of which are beyond the Bank's control and effects of which can be difficult to predict, could cause the Bank's actual results to differ materially from the expectations, targets, estimates or intentions expressed in such forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which the Bank operates; changes in trade policies globally, including the introduction of protectionist initiatives such as new or higher tariffs; international geopolitical events such as Russia's war against Ukraine and the Israel-Hamas war in Gaza; changes in currency and interest rates; increased funding costs and market volatility due to market illiquidity and competition for funding; volatility in the banking industry globally and locally; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary, fiscal, or economic policy and tax legislation and interpretation; changes in laws and regulations or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; changes to the Bank's credit ratings; operational and infrastructure risks; reputational risks; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services; the Bank's ability to execute its strategic plans, including the successful completion of acquisitions and dispositions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; global capital markets activity; the Bank's ability to attract, develop and retain key executives; the evolution of various types of fraud or other criminal behavior to which the Bank is exposed; disruptions in or attacks (including cyber-attacks) on the Bank's information technology ("IT"), internet, network access, or other voice or data communications systems or services; increased competition in the geographic and in business areas in which the Bank operates, including through digital banking and non-traditional competitors; exposure related to significant litigation and regulatory matters; the impact of any future resurgence of the COVID-19 (also commonly referred to as the "coronavirus") pandemic or outbreak of a new widespread public health crisis; the occurrence of natural and unnatural catastrophic events and claims resulting from such events; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results.

When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Except as required by law, the Bank, any Dealer or any other person does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(i) the 2024 Audited Consolidated Financial Statements, the 2023 Audited Consolidated Financial Statements and, if published later, the most recently published unaudited interim consolidated financial results of the Issuer; and

(ii) all supplements or amendments to this Offering Circular prepared by the Issuer from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any documents incorporated by reference in this Offering Circular can be found on the Issuer's website at www.scotiabankchile.cl/investor-relations/investor-relations-english. Such audited consolidated financial statements of the Issuer which are deemed to be incorporated by reference in this Offering Circular may also be obtained at the SGX-ST's website at www.sgx.com. The information on these websites does not, except as specifically set forth above regarding documents that the Issuer publishes or issues from time to time after the date hereof, form part of this Offering Circular and is not incorporated by reference herein. The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular.

If the terms of the Program are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Program, a new offering circular will be prepared.

AVAILABLE INFORMATION

To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act of 1934, as amended (the "Exchange Act") or exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4) so long as the Notes are considered "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

OVERVIEW OF THE PROGRAM

This overview must be read as an introduction to this Offering Circular and is provided as an aid to investors when considering whether to invest in the Notes, but is not a substitute for the Offering Circular. Any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference. The Issuer operates as a standalone subsidiary of The Bank of Nova Scotia that has no, or assumes no, liability for the offering of the Notes. Certain terms used in this overview are defined elsewhere in this Offering Circular, including in the section entitled "Description of the Notes."

Issuer...	Scotiabank Chile
Arrangers	BofA Securities, Inc. J.P. Morgan Securities LLC Scotia Capital (USA) Inc.
Dealers	BofA Securities, Inc. Goldman Sachs & Co. LLC J.P. Morgan Securities LLC J.P. Morgan Securities plc Scotiabank Europe plc Scotia Capital (USA) Inc. The Bank of Nova Scotia, Hong Kong Branch Any other Dealer appointed from time to time by the Issuer either generally in respect of the Program or in relation to a particular Series of Notes.
Fiscal Agent, Paying Agent, Transfer Agent, Registrar and Calculation Agent..................	Citibank, N.A., London Branch
Singapore Listing Agent................	Allen & Gledhill LLP
Distribution	Notes may be distributed (i) in the United States to QIBs and (ii) outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S), in each case on a syndicated or non-syndicated basis, subject to the selling restrictions described under "Transfer and Selling Restrictions."
Specified Currencies......................	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement).
Maximum Amount	The aggregate principal amount of Notes outstanding at any time shall not exceed U.S.$3,000,000,000 or the approximate equivalent thereof in another currency calculated as at the issue date of the relevant Notes. The Program size may be increased from time to time without the consent of the holders of Notes.
Maturities	Notes may be issued in such maturities as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Pricing Supplement as the stated maturity), subject to such minimum or maximum term as may be allowed or required from time to time by the Central Bank (or relevant equivalent body) or

any laws or regulations applicable to the Issuer or the relevant Specified Currency. No issuances of Notes under the Program will have a maturity of one year or less.

Issuance in Series............................ The Notes will be issued in separate series (each, a "Series") and the Notes of each Series will all be subject to identical terms whether as to currency, denomination, interest or maturity or otherwise. Each such Series may contain one or more tranches of Notes (each, a "Tranche") having identical terms, including the original issue date and the public offering price; provided that a Tranche of Notes may not comprise both Notes in registered form and Notes in bearer form.

Issue Price....................................... Notes may be issued at an issue price which is equal to, less than or more than their principal amount, as provided in the applicable Pricing Supplement.

Form of Notes................................. Notes will be issued in either registered or bearer form as specified in the applicable Pricing Supplement.

Unless otherwise specified in the relevant Pricing Supplement, the Notes offered in the United States to QIBs in reliance on Rule 144A will be represented by one or more Rule 144A registered global notes (each, a "Rule 144A Registered Global Note") and Notes offered outside the United States in reliance on Regulation S will be represented, as specified in the relevant Pricing Supplement, by one or more global notes (each, a "Regulation S Registered Global Note" and, together with a Rule 144A Registered Global Note, the "Registered Global Notes") either in registered or bearer form. Registered Global Notes will be deposited with a custodian for, and registered in the name of a nominee of, DTC; provided that if all Notes of a Series or Tranche are offered outside of the United States in reliance on Regulation S, the Regulation S Registered Global Notes representing such Notes may, alternatively, be deposited with a common depositary for, and registered in the nominee name of a common depositary of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement.

Fixed Rate Notes............................ The Issuer will pay interest on Fixed Rate Notes on the dates specified in the applicable Pricing Supplement. Fixed interest on Notes will be calculated on the basis of such Fixed Day Count Fraction as may be set forth in the applicable Pricing Supplement.

Floating Rate Notes .... The Issuer will pay interest on Floating Rate Notes on the dates specified in the applicable Pricing Supplement. Each Series of Floating Rate Notes will have one or more interest rate bases as indicated in the applicable Pricing Supplement. Interest on Floating Rate Notes will be calculated on the basis of such Floating Day Count Fraction as may be set forth in the applicable Pricing Supplement.

Interest Period(s) or Interest Payment Date(s) for Floating Rate Notes....................................... Such period(s) or date(s) as may be indicated in the applicable Pricing Supplement.

Redemption.................................... The Pricing Supplement relating to each Tranche of Notes will indicate either that the Notes of that Series cannot be redeemed prior to its stated maturity, or that such Notes will be redeemable for taxation reasons or at the option of the Issuer and/or the Noteholders upon giving not more than 60 nor less than 30 days irrevocable notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as are indicated in the applicable Pricing Supplement; provided, however, that Notes denominated in currencies other than U.S. dollars may be subject to different restrictions on redemption as described in "Description of the Notes—Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption."

Denomination of Notes.................. Notes may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement.

Taxation.. All payments with respect to the Notes will be made without withholding or deduction for or on account of any taxes or other charges imposed by any governmental authority or agency in the jurisdiction of the Issuer or other Relevant Taxing Jurisdiction (as defined herein), unless such withholding is required by law, in which case, subject to certain exceptions, the Issuer will generally pay Additional Amounts as described in "Description of the Notes—Payment of Additional Amounts." See also "Certain Tax Legislation Affecting the Notes."

Status of the Notes......................... Each Note will be unsecured and will be either a senior or a subordinated debt obligation ("Senior Notes" and "Subordinated Notes," respectively). Senior Notes will rank equally in right of payment with all other unsecured and unsubordinated obligations of the Issuer thereof. Subordinated Notes will rank junior in right of payment to all senior indebtedness as specified in the applicable Pricing Supplement, which will set forth the applicable terms of such subordination. The Issuer will not make any payment of principal, premium, if any, or interest in respect of the Subordinated Notes unless all amounts then due on its senior indebtedness have been paid in full. See "Description of the Notes—General."

Rating.. The Notes of each Tranche issued under the Program may be rated or unrated. Where the Notes of a Tranche are rated, such rating (i) will be set out in the applicable Pricing Supplement and (ii) will not necessarily be the same as the rating(s) assigned to the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and Admission to Trading .... Each Series of Notes may be listed on the Official List and traded on the SGX-ST and/or listed or admitted to trading on or by such other or additional stock exchange(s), competent authority(ies) and/or market(s) or may be unlisted.

Clearing System .... As specified in the applicable Pricing Supplement.

Governing Law .... The Fiscal Agency Agreement and the Notes will be governed by, and construed in accordance with, the law of the State of New York; provided that the ranking and subordination of the Notes will be governed by, and construed in accordance with, Chilean law.

Selling Restrictions .... The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in accordance with Rule 144A or outside the United States to non-U.S. persons in reliance on Regulation S or pursuant to another exemption from the registration requirements of the Securities Act. For a description of certain restrictions on offers, sales and deliveries of Notes in the United States, the EEA, Australia and certain other jurisdictions. See "Transfer and Selling Restrictions."

Notes in bearer form will be issued in compliance with the United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "TEFRA D Rules") unless the applicable Final Terms state that Notes are issued in compliance with the United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "TEFRA C Rules").

Risk Factors.................................... Prospective purchasers of the Notes should consider carefully all of the information set forth in this Offering Circular or any supplement hereto and, in particular, the information set forth under the caption "Risk Factors" beginning on page 5.

RISK FACTORS

Investors should carefully consider the following risk factors as well as the other information contained in this Offering Circular prior to making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Bank and the terms of the offering of the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Bank or that the Bank currently deems immaterial may also impair the Bank's business operations.

Risk Factors in Respect of the Bank and the Issuer

Business and market risks may affect the ability of the Issuer to fulfil its obligations under the Notes issued under the Program.

As a large financial services company, the Bank faces risks that are inherent in the business and market places in which it operates. Material factors that could affect the Bank's businesses, results of operations and financial condition and the Bank's ability to fulfil its obligations include: credit risk, market risk, liquidity risk, insurance risk, operational risk, information technology and cybersecurity risk, data risk, compliance risk, money laundering and terrorist financing risk, reputational risk, environmental risk, strategic risk, geopolitical risk, legal and regulatory compliance risk, and risks related to technology innovation and third-party service providers.

Economic uncertainty could have a negative impact on the Bank's business and results of operations.

The Bank may face, among others, the following risks related to any economic downturn:

- Demand for the Bank's products and services may be reduced. Any market turmoil or economic downturn could materially and adversely affect customers and have a negative effect on customer demand for banking products and services offered by the Bank.
- Regulation of the financial services industry may increase. Compliance with any new regulations could increase the Bank's costs and affect the pricing for the Bank's products and services, increase risks related to regulatory non-compliance and limit the Bank's ability to pursue business opportunities.
- The Bank's borrowers may not be able to timely or fully comply with their existing obligations. Macroeconomic shocks may negatively impact the household income of the Bank's retail customers and may adversely affect the recoverability of its retail loans, resulting in increased credit losses.
- The degree of uncertainty concerning economic conditions may adversely affect the accuracy of the Bank's estimates regarding losses inherent in the Bank's credit exposure, which requires complex judgments, including forecasts of economic conditions and how these economic conditions might impair the ability of the Bank's borrowers to repay their loans. This, in turn, may impact the sufficiency of the Bank's allowances for credit losses.
- The value and liquidity of the portfolio of investment securities that the Bank holds may be adversely affected.
- Any worsening of global economic conditions may adversely affect the international financial industry and impact the Bank's financial condition and results of operations.

A slowing or failing of the Chilean or global economy would likely aggravate the adverse effects of these difficult economic and market conditions on the Bank and on others in the financial services industry.

The Bank is vulnerable to disruptions and volatility in the financial markets.

In recent years, the global financial markets have experienced disruptions and volatility as a result of, among other things, concerns regarding the overall stability of the euro area, fears related to a slowdown of the Chinese economy, significant fluctuations in global oil prices and concerns related to Russia's war against Ukraine. Accelerated inflation and related substantial increases of benchmark interest rates in 2022 and 2023 resulted in slowing economic growth and fears of potential spread of recessionary conditions across economies. More recently, changes in certain policy goals of the U.S. government and in trade policies globally, including the introduction of protectionist initiatives such as new or higher tariffs, have also caused, and are likely to continue to cause, volatility in the financial markets and concern about the development of the global economy (see also "—Developments in other countries may affect the Bank, including the prices for the Bank's securities" below). Geopolitical events, such as Russia's war against Ukraine and the Israel-Hamas war in Gaza and concerns of any further escalation of these conflicts and related adverse effects (such as, among others, increased energy, food and commodity prices), continued unrest elsewhere in the Middle East and Red Sea region, tensions in the Korean Peninsula and in Taiwan, and pandemics and other widespread public health crises have also resulted in, and are likely to continue to create, uncertainty in the global markets.

Adverse developments affecting the banking industry globally have resulted in significant volatility in the financial markets. These type of volatile conditions in the global financial markets could have a material adverse effect on the Bank, including on the Bank's ability to access capital and liquidity on financial terms acceptable to the Bank, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the Bank may be forced to raise the rates it pays on deposits to attract more customers and become unable to maintain certain liability maturities. Any such increase in capital markets funding availability or costs or in deposit rates could have a material adverse effect on the Bank's interest margins and liquidity and may also impact the Bank's ability to retain deposits. In addition, changes in investor and customer confidence can affect the Bank's ability to access capital and liquidity.

If all or some of the foregoing risks were to materialize, this could have a material adverse effect on the Bank's financing availability and terms and, more generally, on its results, financial condition and prospects.

Increased competition, including from non-traditional providers of banking services such as financial technology providers, and industry consolidation may adversely affect the Bank's results of operations.

The Chilean market for financial services is highly competitive. The Bank competes with other private sector Chilean and non-Chilean banks, with Banco del Estado de Chile, the principal government-owned sector bank, with department stores and with larger supermarket chains that make consumer loans and sell other financial products to a large portion of the Chilean population. The lower to middle-income segments of the Chilean population and the small and mid-sized corporate segments have become the target markets of several banks and competition in these segments may increase. In addition, there has been a trend towards consolidation in the Chilean banking industry in recent years, which has created larger and stronger banks with which the Bank must now compete. There can be no assurance that this increased competition will not adversely affect the Bank's growth prospects and its operations. In addition, the Bank faces competition from non-bank and non-finance competitors, such as leasing, factoring and automobile finance companies, with respect to credit products, and from mutual funds, pension funds and insurance companies with respect to savings products.

Non-traditional providers of banking services, such as internet based e-commerce providers, mobile telephone companies and internet search engines may offer and/or increase their offerings of financial products and services directly to customers. These non-traditional providers of banking services currently have an advantage over traditional providers because they are not subject to the same extensive regulatory requirements that traditional providers, such as the Bank, need to comply with. Several of these competitors may have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may also adopt more aggressive pricing and rates and devote more resources to technology, infrastructure and marketing. See also "Description of Chilean Banking Regulatory System—Recent Regulatory Developments."

New competitors may enter the market or existing competitors may adjust their services with unique product or service offerings or approaches to providing banking services. If the Bank is unable to successfully compete with current and new competitors, or if the Bank is unable to anticipate and adapt its offerings to changing banking industry trends, including technological changes, the Bank's business may be adversely affected. In addition, the Bank's failure to effectively anticipate or adapt to emerging technologies or changes in customer behavior, including among younger customers, could delay or prevent its access to new digital-based markets, which would, in turn, have an adverse effect on the Bank's competitive position and business. Furthermore, the widespread adoption of new technologies, including generative artificial intelligence, cryptocurrencies and alternative payment systems, could require substantial expenditures to modify or adapt the Bank's existing products and services as the Bank continues to grow its digital banking capabilities. The Bank's customers may choose to conduct business or offer products in areas that may be considered speculative or risky. Such new technologies could negatively impact the Bank's investments in bank premises, equipment and personnel for the Bank's branch network.

The persistence or acceleration of the shift in demand towards digital banking may necessitate changes to the Bank's retail distribution strategy, which may include closing and/or selling certain branches and restructuring its remaining branches and work force. These actions could require the Bank to record losses on these assets and may lead to increased expenditures to renovate, reconfigure or close a number of the Bank's remaining branches or to otherwise reform its retail distribution channel. Furthermore, the Bank's failure to swiftly and effectively implement such changes to its distribution strategy could have an adverse effect on its competitive position.

Increasing competition could also require that the Bank increase its rates offered on deposits or lower the rates it charges on loans, which could have a material adverse effect on the Bank, including its profitability. It may also negatively affect the Bank's business results and prospects by, among other things, limiting the Bank's ability to increase its customer base and expand its operations and increasing competition for investment opportunities.

If the Bank's customer service levels were perceived by the market to be materially below those of its competitors, the Bank could lose existing and potential business. If the Bank is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

The Bank's ability to maintain its competitive position depends, in part, on the success of new products and services the Bank offers its customers and its ability to continue offering products and services from third parties, and the Bank may not be able to manage various risks it faces as it expands its range of products and services that could have a material adverse effect on it.

The success of the Bank's operations and its profitability depends, in part, on the success of new products and services it offers its customers and its ability to continue offering products and services from third parties. However, there can be no assurance that the Bank's new products and services will be responsive to customer demands, or that they will be successful. In addition, the needs of the Bank's customers may change over time and the Bank may not be able to develop new products that meet these changed needs, which, in turn, may render the Bank's products and services obsolete, outdated or unattractive. The Bank's success is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on banking products and services. Technological changes may also further intensify and complicate the competitive landscape and influence customer behavior. If the Bank cannot respond in a timely fashion to the changing needs of its customers, the Bank may lose customers, which could, in turn, materially and adversely affect the Bank.

As the Bank expands the range of its products and services, some of which may be at an early stage of development, it may be exposed to new and potentially increasingly complex risks and development expenses in those markets and the Bank's risk management systems may not be sufficient to enable it to properly manage such risks. In addition, the cost of developing products may be high and can affect the Bank's results of operations. Any or all of these factors, individually or collectively, could have a material adverse effect on the Bank.

Credit, market and liquidity risk may have an adverse effect on the Issuer's credit ratings and the Issuer's cost of funds. Any downgrade in the credit rating of Chile, the Issuer itself or the Issuer's controlling shareholder would likely increase the Issuer's cost of funding, require the Issuer to post additional collateral or take other actions under some of the Issuer's derivative contracts and adversely affect the Issuer's net interest margins and results of operations.

Credit ratings affect the cost and other terms upon which the Issuer is able to obtain funding. Rating agencies regularly evaluate the Issuer and their ratings of the Issuer's debt are based on a number of factors, including the Issuer's financial strength and conditions affecting the financial services industry generally. Due to the methodology of the main rating agencies, the Issuer's credit rating is also affected by the rating of Chile's sovereign debt. If Chile's sovereign debt is downgraded, the Issuer's credit rating may also be downgraded. In addition, the Issuer's ratings may be adversely affected by any downgrade in the ratings of the Issuer's indirect parent company and controlling shareholder, The Bank of Nova Scotia. As of the date of this Offering Circular, the Issuer's foreign long-term credit rating assigned by S&P Global Ratings ("S&P") to Scotiabank Chile is A (stable outlook). S&P revised its outlook on Chile on October 10, 2024 to stable from negative and, as a result, revised its outlook on Scotiabank Chile also to stable from negative. The foreign long-term credit rating assigned to Scotiabank Chile by Fitch Ratings, Inc. ("Fitch") is A+ (stable outlook).

Any downgrade in the Issuer's debt credit ratings would likely increase the Issuer's borrowing costs and may require the Issuer to post additional collateral or take other actions under its derivative contracts, and limit its access to capital markets. In addition, a credit rating downgrade could adversely affect the Bank's commercial business. For example, a ratings downgrade could adversely affect the Issuer's ability to sell or market certain of its products, engage in certain longer-term and derivatives transactions and retain its customers, particularly customers who need a minimum rating threshold in order to invest. In addition, under the terms of certain of the Issuer's derivative contracts and other financial commitments, it may be required to maintain a minimum credit rating or terminate such contracts or post collateral. Any of these results of a ratings downgrade could reduce the Issuer's liquidity and have an adverse effect on the Issuer, including the Issuer's operating results and financial condition.

While certain potential impacts of credit rating downgrades are contractual and quantifiable, the full consequences of a downgrade are inherently uncertain, as they depend upon numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of the Issuer's long-term credit rating precipitates downgrades to its short-term credit rating, and assumptions about the potential behaviors of customers, investors and counterparties. A credit rating downgrade could, for example, result in withdrawals by customers of their deposits and outflows of other customer funds and adversely affect the Bank's liquidity position. Although funding stresses are included in the Issuer's stress testing scenarios and a portion of the Issuer's total liquid assets is held against these risks, a credit rating downgrade could nonetheless have a material adverse effect on the Issuer.

In addition, if the Issuer were required to cancel its derivatives contracts with certain counterparties and was unable to replace such contracts, its market risk profile could be altered.

There can be no assurance that the rating agencies will maintain the current ratings or outlooks of the Bank. Failure to maintain favorable ratings and outlooks could increase the Issuer's cost of funding and adversely affect net interest margins, which could have a material adverse effect on the Issuer.

Financial problems faced by the Bank's customers could adversely affect the Bank.

Any market turmoil or economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of the Bank's borrowers, which could, in turn, increase the Bank's non-performing loan ratios, impair the Bank's loan and other financial assets and result in decreased demand for borrowings in general. The Bank's customers may also significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Bank's fee and commission income. In addition, the Bank may be adversely affected by the negative effects of the heightened regulatory environment on the Bank's customers due to the high costs associated with regulatory compliance and proceedings. Any of these developments could have a material adverse effect on the Bank's business, financial condition and results of operations. See "—The Bank is vulnerable to disruptions and volatility in the financial markets" and "—Any future resurgence of the coronavirus pandemic or outbreak of a new widespread public health crisis could have a material adverse effect on the Bank's business, financial condition and results of operations and adversely affect the Bank's ability to access capital and liquidity" above.

Market conditions have resulted, and could result, in material changes to the estimated fair values of the Bank's financial assets. Negative fair value adjustments could have a material adverse effect on the Bank's operating results, financial condition and prospects.

In the recent past, financial markets have been subject to significant stress resulting in steep falls in perceived or actual financial asset values, particularly due to volatility in global financial markets and the resulting widening of credit spreads. The Bank has material exposures to securities, loans and other investments that are recorded at fair value and are therefore exposed to potential negative fair value adjustments. Asset valuations in future periods, reflecting then-prevailing market conditions, may result in negative changes in the fair values of the Bank's financial assets and these may also translate into increased impairments. In addition, the value ultimately realized by the Bank on disposal may be lower than the current fair value. Any of these factors could require the Bank to record negative fair value adjustments, which may have a material adverse effect on the Bank's operating results, financial condition or prospects.

In addition, to the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets, and particularly in times of economic instability. In such circumstances, the Bank's valuation methodologies require the Bank to make assumptions, judgments and estimates in order to establish fair value, and reliable assumptions are difficult to make and are inherently uncertain and valuation models are complex, making them inherently imperfect predictors of actual results. Any consequential impairments or write-downs could have a material adverse effect on the Bank's operating results, financial condition and prospects.

The credit quality of the Bank's loan portfolio may deteriorate and its credit loss reserves could be insufficient to cover its actual credit losses, which could have a material adverse effect on the Bank.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Bank's businesses. Non-performing or low credit quality loans have in the past negatively impacted the Bank's results of operations and could do so in the future. In particular, the amount of the Bank's reported non-performing loans may increase in the future as a result of growth in the Bank's total loan portfolio, including as a result of loan portfolios that it may acquire in the future (the credit quality of which may turn out to be worse than the Bank had anticipated), or factors beyond the Bank's control, such as adverse changes in the credit quality of the Bank's borrowers and counterparties or a general deterioration in economic conditions in Chile or in global economic and political conditions. If the Bank were unable to control the level of its non-performing or poor credit quality loans, this could have a material adverse effect on the Bank as it could experience an increase in write-offs and allowances for credit losses.

As of December 31, 2024, the Bank's non-performing loans were Ch$774,254 million, and the ratio of the Bank's non-performing loans to total loans was 2.37%. As of December 31, 2024, the Bank's allowances for loans were Ch$762,164 million, with special allowances for credit losses of Ch$192,337 million, and the ratio of the Bank's allowances for credit losses including special allowances for credit losses to total loans was 2.92%.

Additionally, the Bank had Ch$353,979 million outstanding in the Small Enterprise Guarantees Fund (*Fondo de Garantía para Pequeños Empresarios*) ("FOGAPE") and the Investors Compensation Scheme (*Fondo General de Garantía de Inversiones*) ("FOGAIN") government-guaranteed loans to corporate and small businesses as of December 31, 2024. The average government guarantee coverage for loan portfolio was 70.3% as of December 31, 2024.

The Bank's allowances for credit losses are based on the Bank's current assessment of, and expectations concerning various factors affecting the Bank, including the quality of the Bank's loan portfolio. These factors include, among other things, the financial condition, repayment abilities and repayment intentions of borrowers, the realizable value of any collateral, the prospects for support from any guarantor, Chile's economy, government macroeconomic policies, interest rates and the legal and regulatory environment. Many of these factors are beyond the Bank's control. In addition, as these factors evolve, the models the Bank uses to determine the appropriate level of allowances for credit losses and other assets require recalibration, which can lead to increased provision expense. See "Risk Management—Credit Risk."

There is no precise method for predicting loan and credit losses, and the Bank cannot assure you that its allowances for credit losses will be sufficient in the future to cover actual loan and credit losses. If the Bank's assessment of and expectations concerning the above-mentioned factors differ from actual developments, if the quality of the Bank's total loan portfolio deteriorates, for any reason, including the increase in lending to individuals and small and medium enterprises, the volume increase in the consumer loan portfolio and the introduction of new products, or if the future actual losses exceed the Bank's estimates of incurred losses, the Bank may be required to increase its provisions and allowances for credit losses, which may adversely affect the Bank. If the Bank is unable to control or reduce the level of its non-performing or poor credit quality loans, this could have a material adverse effect on the Bank.

On March 6, 2024, the CMF through Circular N°2,346, with effect starting January 2025, implemented a standardized methodology to compute expected credit losses for consumer loans with matrices for probability of default ("**PD**") and loss given default ("**LGD**") based on certain risk drivers. Based on the information available as of the date of this Offering Circular, the adoption of this new methodology is expected to have an adverse impact of Ch$172,104 million on the operating income of the Bank. To address this impact, the Bank is assessing the use of additional allowances prepared for these purposes, among other actions. The Bank cannot be certain that future changes, especially in provisioning rules or related definitions, will not materially and adversely affect the Bank's results of operations and financial condition. See "Note 3 – New accounting pronouncements issued and adopted, or issued but not yet adopted" to the 2024 Audited Consolidated Financial Statements for more detailed information.

The value of the collateral securing the Bank's loans may not be sufficient, and the Bank may be unable to realize the full value of the collateral securing its loan portfolio.

The value of the collateral securing the Bank's loan portfolio may fluctuate or decline due to factors beyond the Bank's control, including macroeconomic factors affecting Chile's economy. The value of the collateral securing the Bank's loan portfolio may be adversely affected by force majeure events, such as natural disasters, particularly in locations where a significant portion of the Bank's loan portfolio is composed of real estate loans. Natural disasters such as earthquakes and floods may cause widespread damage, which could impair the asset quality of the Bank's loan portfolio and could have an adverse impact on Chile's economy. The real estate market is particularly vulnerable in the current economic climate and this may affect the Bank, as real estate represents a significant portion of the collateral securing the Bank's residential mortgage loan portfolio. The Bank may also not have sufficiently recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of the Bank's loans secured by such collateral. If any of the above were to occur, the Bank may need to make additional provisions to cover actual impairment losses of the Bank's loans, which may materially and adversely affect the Bank's results of operations and financial condition.

The growth of the Bank's loan portfolio and further expansion particularly in the consumer, small- and mid-sized companies and real estate segments could lead to a higher level of credit losses and require the Bank to establish higher levels of provisions for credit losses. See "Note 13 – Financial assets at amortized cost" to the 2024 Audited Consolidated Financial Statements for a description and presentation of the Bank's loan portfolio.

As part its business strategy, the Bank seeks to increase lending and other services to retail customers, which are more likely to be adversely affected by downturns in the Chilean economy. A significant portion of the Bank's loans to retail customers are residential mortgage loans. As of December 31, 2024, the Bank's mortgage loan portfolio totaled Ch$14,158,759 million, which represented 43.3% of its total loans. See "Note 47 – Risk management and reporting" to the 2024 Audited Consolidated Financial Statements for a description and presentation of the residential mortgage loan portfolio of the Bank. If the economy and real estate market in Chile experience a significant downturn, this could materially adversely affect the liquidity, businesses and financial conditions of the Bank's customers, which may, in turn, cause the Bank to experience higher levels of past-due loans, thereby resulting in higher provisions for credit losses and subsequent write-offs. This may materially and adversely affect the Bank's asset quality, results of operations and financial condition.

The growth rate of the Bank's loan portfolio may be affected by economic turmoil, which could also lead to a contraction in the Bank's loan portfolio.

There can be no assurance that the Bank's loan portfolio will continue to grow at similar rates to the historical growth rates. A slowdown in the growth of customer demand due to, for example, adverse economic developments or an increase in market competition or changes in governmental regulations could adversely affect the rate of growth of the Bank's loan portfolio and the Bank's risk index and, accordingly, increase the Bank's required allowances for credit losses. Economic turmoil could materially adversely affect the liquidity, businesses, and financial condition of the Bank's customers as well as lead to a general decline in consumer spending and a rise in unemployment. All this could lead to decreased demand for borrowings in general.

Climate change can create transition risks, physical risks, and other risks that could adversely affect the Bank

Climate change may drive financial risks that could adversely affect the Bank. These risks may, among others, include:

- Transition risks associated with the move to a low-carbon economy, both at idiosyncratic and systemic levels, such as through policy, regulatory and technological changes.

- Physical risks related to extreme weather impacts and longer term trends, which could result in financial losses that could impair asset values and the creditworthiness of the Bank's customers.

- Liability risks derived from parties who may suffer losses from the effects of climate change and may seek compensation from those they hold responsible such as state entities, regulators, investors and lenders.

  These risks could, in turn, result in, among others, the following financial risks:

- Credit risks: Physical climate change could lead to increased credit exposure and companies with business models not aligned with the transition to a low-carbon economy may face a higher risk of reduced corporate earnings and business disruption due to new regulations or market shifts. Central Chile has recently been enduring the longest drought of its recent history. This may lead to higher delinquency ratios and provisions for credit loss.

- Market risks: Market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increasing frequency of severe weather events could affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation. This may have a negative impact on the Bank´s fixed income portfolio.

- Operational risks: Severe weather events could directly impact business continuity and operations of both the Bank and its customers.

- Reputational risks: Shifting sentiment among customers and increasing attention and scrutiny from other stakeholders (investors, regulators, etc.) on the Bank’s response to climate change could also result in potential reputational risks to the Bank.

Any of the conditions described above could have a material adverse effect on the Bank’s business, financial condition and results of operations.

The Bank’s financial results are constantly exposed to market risk. The Bank is subject to fluctuations in interest rates and other market risks, which may materially and adversely affect the Bank and its profitability.

Market risk refers to the probability of variations in the Bank’s net interest income or in the market value of the Bank’s assets and liabilities due to volatility of interest rate, inflation, exchange rate or equity price.

Changes in interest rates affect the following areas, among others, of the Bank’s business:

- net interest income;
- the volume of loans originated;
- credit spreads;
- the market value of the Bank’s securities holdings;
- the value of the Bank’s loans and deposits; and
- the value of the Bank’s derivatives transactions.

Interest rates are sensitive to many factors beyond the Bank’s control, including increased regulation of the financial sector, the rate and reserve policies of the Central Bank, deregulation of the financial sector in Chile, monetary policies and domestic and international economic and political conditions. Variations in interest rates could affect the interest earned on the Bank’s assets and interest paid on its borrowings, thereby affecting the Bank’s net interest income, which comprises the majority of the Bank’s revenue, reducing its growth rate and potentially resulting in losses. Interest rate variations could adversely affect the Bank, including the Bank's net interest income, reducing the Bank's growth rate or even resulting in losses.

When interest rates rise, the Bank may be required to pay higher interest on its floating-rate borrowings while interest earned on the Bank's predominately fixed-rate assets may not rise as quickly, which could cause profits to grow at a reduced rate or decline in some parts of the Bank's portfolio.

Increases in interest rates may reduce the volume of loans the Bank originates. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may reduce the value of the Bank's financial assets and may reduce gains or require the Bank to record losses on sales of its loans or securities.

If interest rates decrease, although this is likely to decrease the Bank's funding costs, it is likely to adversely impact the income the Bank receives from its investments in securities as well as loans with similar maturities. In addition, the Bank may also experience increased delinquencies in a low interest rate environment when such an environment is accompanied by high unemployment and recessionary conditions.

The market value of a security with a fixed interest rate generally decreases when the prevailing interest rates rise, which may have an adverse effect on the Bank's earnings and financial condition. In addition, the Bank may incur costs as it implements strategies to reduce interest rate exposure in the future (which, in turn, will impact the Bank's results). The market value of an obligation with a floating interest rate can be adversely affected when interest rates increase, due to a lag in the implementation of repricing terms or an inability to refinance at lower rates.

The Bank is also exposed to foreign exchange rate risk as a result of mismatches between assets and liabilities denominated in different currencies. Fluctuations in the exchange rate between currencies may negatively affect the Bank's earnings and value of the Bank's assets and securities. Therefore, while the Bank seeks to avoid significant mismatches between assets and liabilities due to foreign currency exposure, from time to time, it may have mismatches. See "Note 47 – Risk Management and Reporting" to the 2024 Audited Consolidated Financial Statements for a description and presentation of the risks related to the Bank's trading portfolio positions.

The Bank is exposed to equity price risk in its investments in equity securities in the banking book and in the trading portfolio. The performance of financial markets may cause changes in the value of the Bank's investment and trading portfolios. The volatility of world equity markets due to the continued economic uncertainty due to, among other, unforeseen geopolitical events, had a particularly strong impact on the financial sector. Continued volatility may affect the value of the Bank's investments in equity securities and, depending on their fair value and future recovery expectations could become a permanent impairment, which would be subject to write-offs against the Bank's results. To the extent any of these risks materialize, the Bank's interest income or the market value of the Bank's assets and liabilities could be materially adversely affected.

As a large organization, the Bank is exposed to operational risks.

Similar to all large organizations, the Bank is exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees, or operational errors, including clerical or record keeping errors or errors resulting from faulty or disabled computer or telecommunications systems. Given the high volume of transactions the Bank processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in the Bank's internal processes, people or systems, including any of the Bank's financial, accounting or other data processing systems, could lead to, among other consequences, financial loss and reputational damage. In addition, despite the contingency plans the Bank has in place, the Bank's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Bank's businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by the Bank or third parties with which the Bank conducts business.

Catastrophes and other unpredictable events could have a material adverse effect on the Bank's business, financial condition and results of operations.

Catastrophic events, terrorist attacks, acts of war or hostilities and other unpredictable events, and responses to those events, may create economic and political uncertainties that could have a negative impact on the economic conditions in the countries in which the Bank operates and, more specifically, could interrupt the Bank's business and have a negative impact on its financial condition and results of operations. For example, Chile is one of the world's most seismically active regions. Natural disasters such as earthquakes may cause widespread damage, which could impair the asset quality of the Bank's loan portfolio and could have an adverse impact on the economy of the affected region. Such events or acts and their ramifications are difficult to predict and may relate to property, financial assets, trading positions or key employees, and if the Bank's risk management and business continuity plans do not fully address such events, the adverse effect of such events could become material. Unforeseen events can also lead to additional operating costs, such as higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may be unavailable, and thus increase the risk of the Bank. The Bank's inability to effectively manage these risks could have a material adverse effect on the Bank's business, results of operations and financial position.

Any future resurgence of the coronavirus pandemic or outbreak of a new widespread public health crisis could have a material adverse effect on the Bank's business, financial condition and results of operations and adversely affect the Bank's ability to access capital and liquidity.

In the beginning of 2020, the coronavirus pandemic spread globally and disrupted various markets and resulted in severe uncertainty about the economies exposed to the outbreak. Similar to other industries, the banking business, both globally and in Chile, was adversely affected by the coronavirus pandemic. Should there be a resurgence of the coronavirus pandemic or should there be a future outbreak of a new widespread public health crisis, further or new restrictions on the business community and on the general population, and measures intended to protect debtors, may be introduced by the Chilean government, the Central Bank, the CMF or other authorities, and the Bank cannot predict what the effect of such restrictions may be, nor can the Bank predict the duration of any such measures. In addition, customer habits could be altered because of a pandemic and related governmental and other restrictions, which may have a material adverse effect on the Bank's business. There can also be no assurance that the adverse impact of any future resurgence or new widespread public health crisis will not lead to a tightening of liquidity conditions or funding uncertainty. Any of the foregoing, and any future adverse conditions related to a resurgence of the coronavirus outbreak or outbreak of a new widespread public health crisis, could have a material adverse effect on the Bank's business, financial condition and results of operations and adversely affect the Bank's ability to access capital and liquidity on financial terms acceptable to the Bank. To the extent the coronavirus pandemic or any other potential future widespread public health crisis adversely affects the business, financial condition and results of operations of the Bank, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Failure to successfully implement and continue to improve the Bank's risk management policies, procedures and methods, including the Bank's credit risk management system, could materially and adversely affect the Bank, and the Bank may be exposed to unidentified or unanticipated risks.

The management of risk is an integral part of the Bank's activities. The Bank seeks to monitor and manage the Bank's risk exposure through a variety of separate but complementary financial, credit, market, operational, compliance and legal reporting systems. While the Bank employs a broad and diversified set of risk monitoring and risk mitigation techniques, such techniques and strategies may not be fully effective in mitigating the Bank's risk exposure in all economic market environments or against all types of risk, including risks that the Bank fails to identify or anticipate.

Some of the Bank's qualitative tools and metrics for managing risk are based upon the Bank's use of observed historical market behavior. The Bank applies statistical and other tools to these observations to arrive at quantifications of the Bank's risk exposures. These qualitative tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Bank did not anticipate or correctly evaluate in the Bank's statistical models. This would limit the Bank's ability to manage the Bank's risks. The Bank's losses thus could be significantly greater than the historical measures indicate. In addition, the Bank's quantified modeling does not take all risks into account. The Bank's more qualitative approach to managing those risks could prove insufficient, exposing the Bank to material unanticipated losses. The Bank could face adverse consequences as a result of decisions, which may lead to actions by management, based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed. In addition, if existing or potential customers or counterparties believe the Bank's risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with the Bank. This could have a material adverse effect on the Bank's reputation, operating results, financial condition and prospects.

As a commercial bank, one of the main types of risks inherent in the Bank's business is credit risk. For example, an important feature of the Bank's credit risk management system is to employ an internal credit rating system to assess the particular risk profile of a customer. As this process involves detailed analyses of the customer, taking into account both quantitative and qualitative factors, it is subject to human or IT systems errors. In exercising their judgment on current or future credit risk behavior of its customers, the Bank's employees may not always be able to assign an accurate credit rating, which may result in the Bank's exposure to higher credit risks than indicated by the Bank's risk rating system.

Failure to effectively implement, consistently monitor or continuously refine the Bank's credit risk management system may result in an increase in the level of non-performing loans and a higher risk exposure for the Bank, which could have a material adverse effect on the Bank.

The effectiveness of the Bank's credit risk management is affected by the quality and scope of information available in Chile.

In assessing customers' creditworthiness, the Bank relies largely on the credit information available from the Bank's own internal databases, the CMF, *Directorio de Información Comercial* (Dicom) (a Chilean nationwide credit bureau) and other sources. Due to limitations in the availability of information and the developing information infrastructure in Chile, the Bank's assessment of credit risk associated with a particular customer may not be based on complete, accurate or reliable information. In addition, although the Bank has been improving its credit scoring systems to better assess borrowers' credit risk profiles, the Bank cannot assure you that its credit scoring systems will collect complete or accurate information reflecting the actual behavior of customers or that their credit risk can be assessed correctly. Without complete, accurate and reliable information, the Bank will have to rely on other publicly available resources and its internal resources, which may not be effective. As a result, the Bank's ability to effectively manage its credit risk and subsequently the Bank's allowances for credit losses may be materially adversely affected.

Liquidity and funding risks are inherent in the Bank's business and could have a material adverse effect on the Bank.

Liquidity risk is the risk that the Bank either does not have available sufficient financial resources to meet the Bank's obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the Bank implements liquidity management processes to seek to mitigate and control these risks, unforeseen systemic market factors make it difficult to eliminate completely these risks. Continued constraints in the supply of liquidity, including in inter-bank lending, has affected and may materially and adversely affect the cost of funding the Bank's business, and extreme liquidity constraints may affect the Bank's current operations and its ability to fulfill regulatory liquidity requirements as well as limit growth possibilities.

Increases in prevailing market interest rates and in the Bank's credit spreads can significantly increase the cost of the Bank's funding. Changes in the Bank's credit spreads may be influenced by market perceptions of the Bank's creditworthiness. Changes to interest rates and the Bank's credit spreads occur continuously and may be unpredictable and highly volatile.

The Bank relies, and will continue to rely, primarily on commercial deposits to fund lending activities. The ongoing availability of this type of funding is sensitive to a variety of factors outside the Bank's control, such as general economic conditions and the confidence of commercial depositors in the economy and in the financial services industry, and the availability and extent of deposit guarantees, as well as competition between banks or with other products, such as mutual funds, for deposits. Any of these factors could significantly increase the amount of commercial deposit withdrawals in a short period of time, thereby reducing the Bank's ability to access commercial deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on the Bank's operating results, financial condition and prospects.

The Bank anticipates that its customers will continue, in the near future, to make short-term deposits (particularly demand deposits and short-term term deposits), and the Bank intends to maintain its emphasis on the use of banking deposits as a source of funds. As of December 31, 2024, 91.9% of the Bank's customer deposits had remaining maturities of one year or less, or were payable on demand. A significant portion of the Bank's assets longer maturities, resulting in a mismatch between the maturities of liabilities and the maturities of assets. Historically, one of the Bank's principal sources of funds has been term and other on-demand deposits. Term and other on-demand deposits represented 29.5%, 29.5% and 30.1% of the Bank's total liabilities and equity as of December 31, 2024, 2023 and 2022, respectively. The Chilean term deposit market is concentrated given the importance in size of various large institutional investors such as pension funds, mutual funds and corporations relative to the total size of the economy. As of December 31, 2024, the Bank's top 20 term deposits represented 33.3% of total term deposits, or 9.6% of total liabilities and equity, and totaled Ch$4,257,296 million. There can be no assurance that future economic stability in the Chilean market will not negatively affect the Bank's ability to continue funding its business or to maintain its current levels of funding without incurring increased funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. If this were to happen, the Bank could be materially adversely affected.

The short-term nature of this funding source could cause liquidity problems for the Bank in the future if deposits are not made in the volumes the Bank expects or are not renewed. If a substantial number of the Bank's depositors withdraw their demand deposits or do not roll over their term deposits upon maturity, the Bank may be materially and adversely affected.

Central banks have taken extraordinary measures to increase liquidity in the financial markets as a response to the financial crisis. If current facilities were rapidly removed or significantly reduced, this could have an adverse effect on the Bank's ability to access liquidity and on its funding costs.

The Bank cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. If this were to happen, the Bank could be materially adversely affected.

Finally, the implementation of internationally accepted liquidity ratios might require changes in business practices that affect the Bank's profitability. The liquidity coverage ratio ("LCR") is a liquidity standard that measures if banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. As of December 31, 2024, the consolidated LCR ratio of the Bank, according to the CMF methodology, was 163.92%, above the 100% minimum requirement. The net stable funding ratio ("NSFR") provides a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their activities. As of December 31, 2024, the Bank's consolidated NSFR ratio calculated under CMF methodology, was 110.54% compared to the 90% minimum regulatory requirement for 2024.

The Bank is subject to regulatory capital and liquidity requirements that could limit its operations, and changes to these requirements may further limit and adversely affect the Bank's operating results, financial condition and prospects.

Chilean banks are required by the General Banking Law to maintain regulatory capital of at least 10.51% of risk-weighted assets, net of required allowances for credit losses and deductions, and paid-in capital and reserves ("basic capital") of at least 4.5% of their risk-weighted assets and 3.0% of their total consolidated assets, both net of required allowances for credit losses. As of December 31, 2024, the Basel ratio of the Issuer's regulatory capital to a consolidated risk-weighted assets, net of allowances for credit losses and deductions, was 17.30% and the Issuer's common equity tier I to consolidated risk-weighted assets ratio was 11.29%. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity, Capital Resources and Capital Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Reserves."

Certain developments could affect the Bank's ability to continue to satisfy the current capital adequacy requirements applicable to the Bank, including:

- the increase of risk-weighted assets as a result of the expansion of the Bank's business or regulatory changes or due to changes in risk weights assigned to asset classes;
- the failure to increase the Bank's capital correspondingly;
- losses resulting from a deterioration in the Bank's asset quality;
- declines in the value of the Bank's investment instrument portfolio;
- changes in accounting standards;
- changes in provisioning guidelines that are charged directly against the Bank's equity or net income; and
- changes in the guidelines regarding the calculation of the capital adequacy ratios among banks in Chile.

If any of these events were to materialize or should the Bank's capital adequacy ratios otherwise develop unfavorably or perceived to not be sufficiently high by investors, analysts or other market participants, or should there be any other material concerns regarding compliance with future capital adequacy requirements, the Bank may be required to raise additional capital in the future in order to maintain or increase the Bank's capital adequacy ratios. The Bank's ability to raise additional capital may be limited by numerous factors, including: the Bank's future financial condition, results of operations and cash flows; any necessary government regulatory approvals; the Issuer's and its subsidiaries' credit ratings; general market conditions for capital raising activities by commercial banks and other financial institutions; and domestic and international economic, political and other conditions. If the Bank requires additional capital in the future, the Bank cannot assure you that it will be able to obtain such capital on favorable terms, in a timely manner or at all. Furthermore, the CMF may increase the minimum capital adequacy requirements applicable to the Bank. Accordingly, although the Bank currently meets the applicable capital adequacy requirements, the Bank may face difficulties in meeting these requirements in the future. If the Bank fails to meet the capital adequacy requirements, the Bank may be required to take corrective actions. These measures could materially and adversely affect the Bank's business reputation, financial condition and results of operations. In addition, if the Bank is unable to raise sufficient capital in a timely manner, the growth of the Bank's loan portfolio and other risk-weighted assets may be restricted, and the Bank may face significant challenges in implementing the Bank's business strategy. As a result, the Bank's prospects, results of operations and financial condition could be materially and adversely affected.

For a description of the capital requirements applicable to the Bank, see "Description of Chilean Banking Regulatory System."

The Bank is subject to regulatory risk, or the risk of not being able to meet all of the applicable regulatory requirements and guidelines.

As a financial institution, the Bank is subject to extensive regulation, inspections, examinations, inquiries, audits and other regulatory requirements by Chilean regulatory authorities, which materially affect the Bank's businesses. The Bank cannot assure you that it will be able to meet all of the applicable regulatory requirements and guidelines, or that it will not be subject to sanctions, fines, restrictions on its business or other penalties in the future as a result of noncompliance. If sanctions, fines, restrictions on the Bank's business or other penalties are imposed on the Bank for failure to comply with applicable requirements, guidelines or regulations, the Bank's business, financial condition, results of operations and the Bank's reputation and ability to engage in business may be materially and adversely affected.

In their supervisory roles, the regulators seek to maintain the safety and soundness of financial institutions with the aim of strengthening the protection of customers and the financial system. The supervisors' continuing supervision of financial institutions is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns, reports obtained from skilled persons, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. In general, these regulators have a more outcome-focused regulatory approach that involves more proactive enforcement and more punitive penalties for infringement. As a result, the Bank faces increased supervisory scrutiny (resulting in increasing internal compliance costs and supervision fees), and in the event of a breach of the Bank's regulatory obligations, it is likely to face more stringent regulatory fines.

Changes in regulations may also cause the Bank to face increased compliance costs and limitations on the Bank's ability to pursue certain business opportunities and provide certain products and services. As some of the banking laws and regulations have been recently adopted, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. There can be no assurance that laws or regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on the Bank's business and results of operations.

Modifications to reserve requirements may affect the Bank's business.

Deposits in Chile are subject to a reserve requirement of 9.0% for demand deposits and 3.6% for term deposits (with terms of less than one year). The Central Bank has statutory authority to require banks to maintain reserves of up to an average of 40.0% for demand deposits and up to 20.0% for term deposits (irrespective, in each case, of the currency in which these deposits are denominated) to implement monetary policy. In addition, to the extent that the aggregate amount of the following types of liabilities exceeds 2.5

times the amount of a bank's regulatory capital, a bank must maintain a 100% reserve against them: demand deposits, deposits in checking accounts, obligations payable on sight incurred in the ordinary course of business and, in general, all deposits unconditionally payable immediately. The General Banking Law, as amended by Law No. 21,130 (the General Banking Law, as amended, the "New General Banking Law") also states that the CMF, with the approval from the Central Bank, may lower the amount of a bank's regulatory capital over which a Systemically Important Bank ("SIB") must maintain a 100.0% reserve, from 2.5 times to 1.5 times. If the Central Bank were to increase reserve requirements, this could lead to lower loan growth and have a negative effect on the Bank's business.

The Bank's business could be affected if its capital is not managed effectively or if changes limiting the Bank's ability to manage its capital position are adopted.

Effective management of the Bank's capital position is important to the Bank's ability to operate its business, to continue to grow organically and to pursue its business strategy. However, in response to the global financial crisis, a number of changes to the regulatory capital framework have been adopted or continue to be considered. As these and other changes are implemented or future changes are considered or adopted that limit the Bank's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms, the Bank may experience a material adverse effect on its financial condition and regulatory capital position.

Changes to the pension fund system may affect the funding mix of the Bank

The prior pension fund system in Chile dated from the 1980s when pensions went from being state-funded to privately-funded, which required Chilean employees to set aside 10% of their wages to be allocated to the employee's individual capitalization account with the Chilean pension fund management companies (*Administradora de Fondos de Pensión*) ("AFPs"). However, the demographics of the Chilean society have changed and there have in recent years been significant modifications to the pension system.

On September 20, 2021, former President Piñera submitted to the Chilean Congress a draft bill on pension funds system reform, aimed at improving the Chilean pension system. The proposed measures in this bill included, among others: (i) expanding the coverage of the collective fund known as the "*pilar solidario*" ("Solidarity Pillar") up from 60% to 80% of the country's most vulnerable population, which would incorporate more than 500,000 new pensioners, (ii) increasing the current guaranteed minimum pension amount known as "*Pensión Básica Solidaria*" to Ch$178,958 per month, and (iii) reducing the pension gaps of unemployed persons, by establishing a mandatory contribution of 10% of each payment made under the unemployment insurance benefit established by Law No. 19.728, to their individual capitalization accounts in their corresponding AFP, as well as a contribution for the payment of disability and survivors' insurance. These contributions were expected to be financed in the first instance from the Individual Unemployment Account (*Cuenta Individual por Cesantía*) (composed of the mandatory monthly contributions paid by workers and employers), and in the event of insufficient resources, from the Solidarity Unemployment Fund (*Fondo de Cesantía Solidario*) (a common shared fund composed of contributions from employers and the government).

On December 21, 2021, former President Piñera submitted to the Chilean Congress several amendments to the draft bill on pension funds system reform that was originally submitted on September 20, 2021. These amendments included, among others, the creation of the Universal Guaranteed Pension Law (*Ley de Pensión Garantizada Universal*) ("PGU") that replaced the benefits of the Solidarity Pillar, both the Basic Solidarity Old Age Pension and the Solidarity Pension Contribution (APS) for old age, that is complementary to individual pension savings. The PGU is administered by the Social Security Institute (*Instituto de Previsión Social*) ("IPS") and, instead of first having to pass through the AFPs, it goes directly to the beneficiaries.

This draft bill was subsequently approved by the Chilean Congress and enacted as Law No. 21,419, which created the PGU aimed to improve the pensions of current and future pensioners through a maximum contribution of Ch$185,000 per month, with the goal of benefiting all people over 65 who are part of the 90% most vulnerable families, regardless of whether they are retired or still working. The PGU is financed by the government and administered by IPS. Contributions are paid directly to the beneficiaries without passing through the AFPs. The new system replaced the guaranteed minimum pension known as "*Pensión Básica Solidaria*".

Law No. 21,538 (*Ley Corta de la PGU*), which came into force on April 1, 2023, amended Law No. 21,419 and established a change in the targeting requirement that allows more people to access the benefit by modifying the requirement so that whether a family group belongs to the top 10% income bracket is measured based on the family group's income in relation to the total population of the country regardless of age, rather than in relation to the population over 65.

The amount of the PGU benefit will depend on the value of the base pension. For these purposes, a "base pension" will be calculated for them at retirement age, regardless of whether they retire or not. Thus, those who have a base pension less than or equal to Ch$630,000 will receive the maximum amount, of Ch$185,000; for beneficiaries who have a base pension greater than Ch$630,000 and less than Ch$1,000,000, the amount will decrease progressively in a linear fashion. The amounts indicated are readjusted on February 1 of each year based on the CPI.

Certain of the benefits under the PGU are higher than the corresponding benefits that were available under the Solidarity Pillar, such as (i) the Basic Solidarity Pension (PBS), a benefit for those who never contributed to the pension system and (ii) the Solidarity Pension Contribution (APS), a worker benefit that seeks to improve low pension benefits. The amount of this benefit increased from Ch$176,095 to Ch$206,173, as of the date of this Offering Circular, which is greater than the maximum PGU contribution.

In November 2022, the Chilean government presented to the Chilean Congress a bill to reform the pension fund system. This draft bill, after substantive changes, was approved by the Chilean Congress on January 29, 2025 and includes a new employer contribution of 7% of its employees' taxable income, to be implemented gradually over nine years, in addition to the existing 1.5% employer contribution to the Disability and Survivors Insurance ("SIS"). This reform increases employers' total contributions to 8.5% (separate from the 10% that employees contribute monthly). The total employer contributions will be distributed as follows: (i) 4.5% contribution allocated to individual assets managed by the AFPs, with the aim of supporting future pensions; (ii) 1.5% contribution directed to a protected profitability contribution to help finance a new benefit "for years of contributions" for those already retired due to age or disability who meet the requirements; and (iii) 2.5% allocated to the SIS and to compensate for variations in life expectancies. The PGU will increase to Ch$250,000 with a gradual implementation based on age: six months after the publication of the reform, the increase will benefit seniors aged 82 or older; after 18 months, it will extend to beneficiaries aged 75 or older and after 30 months to beneficiaries aged 65 or older.

This reform also introduces some specific amendments to the pension fund industry by (i) updating the system to obtain payment of due contributions; (ii) creating a new model of generational funds that will replace the multi funds system; (iii) granting new powers to the IPS which will be able to offer an alternative to the management of the capitalization accounts; (iv) creating a new obligation to pension fund managers to register and inform their support and administration functions separately; and (v) no longer permitting Chilean AFPs to incorporate foreign subsidiaries or to invest in AFPs or other entities outside of Chile involved in social security activities.

The bill to reform the pension fund system has been approved by Chilean Congress but, as of the date of this Offering Circular, it has not yet been enacted into law by the President of Chile. According to the approved bill, the provisions of the new law will come into effect on the first day of the 25th month following the publication of the new law in the Official Gazette. Although the specific consequences of this reform cannot be predicted prior to its implementation, there may be potential impacts on the Chilean capital market arising from the transition between the current five different multi-funds that can be managed by the Chilean

AFPs and the newly introduced generational funds, which will increase the current asset allocation to 10 different funds. The Bank cannot assure that these developments will not materially and adversely affect the Bank's business, financial condition or results of operations.

As of December 31, 2024, Chilean AFPs had U.S.$3,601 million invested in the Bank via deposits and fixed income instruments, compared to U.S.$4,453 million as of December 31, 2023 and U.S.$5,059 million as of December 31, 2022.

There can be no assurance that the amendments to the Chilean pension system discussed above, if enacted, will not negatively impact the investment capacity of pension funds, which may, in turn, adversely affect the Bank's business, financial position and results of operations.

The legal restrictions on the exposure of Chilean pension funds to different asset classes may affect the Bank's access to funding.

Chilean regulations impose a series of restrictions on how Chilean AFPs may allocate their assets. In the particular case of financial issuers, these restrictions are provided in Decree Law 3,500 of 1980, as amended, on pension funds, and regulated by the Superintendency of Pensions (*Superintendencia de Pensiones*) through the investment regime applicable to pension funds, each involving different assets and limits determined by the amount of assets in each fund and the market and book value of the issuer's equity. Therefore, limits vary within funds of AFPs and financial issuers. If the exposure of any AFP to the Bank exceeds the regulatory limits or the regulatory limits are reduced, the Bank would need to seek alternative sources of funding, which could be more expensive and, consequently, may have a material adverse effect on the Bank's financial condition and results of operations.

In addition, in July and December 2020, and in April 2021, and in order to mitigate the impact of the coronavirus pandemic, the Chilean government enacted Laws Nos. 21,248, 21,295 and 21,330 respectively, which allowed pension fund account holders to make three withdrawals from their individual investment accounts for a maximum amount equal to 10% of the funds held in the individual investment accounts and up to UF 150. In addition, on the second semester of 2021 the Chilean Congress discussed and dismissed the option of a fourth withdrawal, and in the first quarter of 2022 the Chilean Congress discussed and dismissed: (i) the option of a fifth withdrawal for general purposes; and (ii) the option of a fifth withdrawal, for which the funds could be used solely for certain purposes. Currently, there is a minority group of deputies, mainly belonging to the People's Party (*Partido de la Gente*) who have initiated efforts to promote the discussion of a sixth withdrawal but, to date, there has been no discussion of this matter in the Chilean Congress and the Government of Chile has spoken out against this measure. The Bank cannot predict the consequences of such withdrawals on the financial condition of the AFPs.

On April 28, 2021, Law No. 21,330 was published in the Official Gazette, which allows pension fund account holders to make a third withdrawal of funds from their individual accounts of up to 10% of the existing balances subject to a maximum withdrawal of UF 150 and a minimum withdrawal of UF 35, unless the account holder has a balance of less than UF 35 in his or her account, in which case the account holder will be allowed to withdraw the remaining balance. Law No. 21,330 also allowed beneficiaries of life annuities (*rentas vitalicias*) from life insurance companies to withdraw up to 10% of the amount corresponding to the technical reserve that the beneficiary maintains with the corresponding insurance company within one year, with a maximum of UF 150. This law does not contemplate the collection of any type of taxes on withdrawn amounts. Additionally, on May 7, 2021 Law No. 21,339 was published in the Official Gazette, providing that pension fund account holders with less than Ch$200,000 on their individual accounts up until March 31, 2021, will be benefited with a Ch$200,000 bonus to be deposited directly on their pension funds accounts within 30 days of its publication.

As of December 31, 2024, Chilean pension funds held U.S.$3,601 million of financial issued by the Bank. If pension funds were to cease purchasing deposits and bonds issued by the Bank, due to potential regulatory reforms or other reasons, this might increase the Bank's cost of funding, which, in turn, could have an adverse effect on the Bank's operating results, financial condition and prospects.

In the case of withdrawals from pension funds, individuals who have exercised their right of withdrawal may receive a government contribution to their individual account for each year in which their pension is postponed, in an amount to be determined by law to be enacted with a qualified quorum (*ley de quórum calificado*), which requires an absolute majority of each of the members of the Chamber of Deputies and the Senate. Law No. 21,330 also allows pension fund account holders to increase their contribution by one percentage point (i.e., from 10% to 11% of their remuneration), on a voluntary basis, for a minimum period of one year and for as long as they deem appropriate, so as to recover the withdrawn funds. The implementation of this option to increase the individual pension contribution will also be subject to a law of qualified quorum.

The Bank's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of the Bank's operations and financial position.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the Bank's results and financial position, based upon materiality and significant judgments and estimates, include allowances for credit losses, measurement of financial instruments including valuation of derivatives, impairment of financial assets at fair value through other comprehensive income, deferred tax assets and liabilities and provisions-contingent liabilities.

If the judgment, estimates and assumptions the Bank uses in preparing its consolidated financial statements are subsequently found to be incorrect, there could be a material effect on the Bank's results of operations and a corresponding effect on the Bank's funding requirements and capital ratios.

Changes in the Bank's accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations.

From time to time, the CMF and other accounting standard setters and regulatory bodies change the financial accounting and reporting standards that govern the preparation of the Bank's consolidated financial statements. These changes can be difficult to predict and can materially impact how the Bank records and reports its results of operations and financial condition. In some cases, the Bank could be required to apply a new or revised standard retrospectively, resulting in restating prior period financial statements or adjusting the opening balances. See also "—Risk Factors in Respect of the Bank and the Issuer—The Bank is subject to regulatory risk, or the risk of not being able to meet all of the applicable regulatory requirements and guidelines" above and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Adoption of New Accounting Standards."

The Bank is subject to review by taxing authorities, and an incorrect interpretation by the Bank of tax laws and regulations may have a material adverse effect on it.

The preparation of the Bank's tax returns requires the use of estimates and interpretations of complex tax laws and regulations and is subject to review by taxing authorities.

The Bank is subject to the income tax laws of Chile and certain foreign countries. These tax laws are complex and subject to different interpretations by the taxpayer and relevant governmental taxing authorities, which are sometimes subject to prolonged evaluation periods until a final resolution is reached.

In establishing a provision for income tax expense and filing returns, the Bank must make judgments and interpretations about the application of these inherently complex tax laws.

If the judgment, estimates and assumptions the Bank uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on the Bank's results of operations. In some jurisdictions, the interpretations of the taxing authorities are unpredictable and frequently involve litigation, which introduces further uncertainty and risk as to tax expense.

Disclosure controls and procedures over financial reporting may not prevent or detect all errors or acts of fraud.

Disclosure controls and procedures, including internal controls, over financial reporting are designed to provide reasonable assurance that information required to be disclosed by the Bank in reports filed or submitted pursuant to applicable law is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in any applicable law, rules and forms.

These disclosure controls and procedures have inherent limitations, which include the possibility that judgments in decision-making can be faulty, and that breakdowns can occur because of errors or mistakes. Additionally, controls can be circumvented by any unauthorized override of the controls. Consequently, the Bank's businesses are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions, civil claims and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter employee misconduct and the precautions the Bank takes to prevent and detect this activity may not always be effective. Accordingly, because of the inherent limitations in the control system, misstatements due to error or fraud may occur and not be detected.

The Bank engages in transactions with related parties that others may not consider to be on an arm's-length basis.

The Bank and its affiliates have entered into a number of services agreements pursuant to which the Bank renders services, such as administrative, accounting, finance, treasury, legal services and others.

Chilean law applicable to public companies and financial groups and institutions and the Bank's by-laws provide for several procedures designed to ensure that the transactions entered into with or among the Bank's financial subsidiaries and/or affiliates do not deviate from prevailing market conditions for those types of transactions, including the requirement that the board of directors of the Bank (the "Board of Directors") approve such transactions. Furthermore, all significant related party transactions must be approved by the audit committee and the board. These significant transactions are also reported in the Bank's annual shareholders meeting. See also "Note 43 – Related party disclosures" of the 2024 Audited Consolidated Financial Statements.

The Bank is likely to continue to engage in transactions with the Bank's affiliates. Future conflicts of interests between the Bank and any of its affiliates, or among the Bank's affiliates, may arise, which conflicts are not required to be and may not be resolved in the Bank's favor.

Any failure to effectively improve or upgrade the Bank's information technology infrastructure and management information systems in a timely manner or any failure to successfully implement new IT regulations could have a material adverse effect on the Bank.

The Bank's ability to remain competitive depends in part on the Bank's ability to upgrade its information technology on a timely and cost-effective basis. The Bank must continually make significant investments and improvements, such as gradually introducing services utilizing generative artificial intelligence, in its information technology infrastructure in order to remain competitive. The Bank cannot assure you that in the future it will be able to maintain the level of capital expenditures necessary to support the improvement or upgrading of its information technology infrastructure. Any failure to effectively improve or upgrade its information technology infrastructure and management information systems in a timely manner could have a material adverse effect on it.

In addition, several new regulations are defining how to manage cyber risks and technology risks, how to report a data breach, and how the supervisory process should work, among others. These regulations are quite fragmented in terms of definitions, scope and applicability. A failure to successfully implement all or some of these new global and local regulations, that in some cases have severe sanctions regimes, could have a material adverse effect on the Bank.

Risks relating to data collection, processing and storage systems and security are inherent in the Bank's business.

Like other financial institutions, the Bank manages and holds confidential personal information of customers in the conduct of its banking operations, as well as a large number of assets. Accordingly, the Bank's business depends on the ability to process a large number of transactions efficiently and accurately, and on the Bank's ability to rely on its digital technologies, computer and email services, software and networks, as well as on the secure processing, storage and transmission of confidential sensitive personal data and other information using the Bank's computer systems and networks. The proper functioning of financial control, accounting or other data collection and processing systems is critical to the Bank's businesses and to its ability to compete effectively. Losses can result from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations. The Bank also faces the risk that the design of the Bank's controls and procedures proves to be inadequate or is circumvented such that its data and/or customer records are incomplete, not recoverable or not securely stored. Although the Bank works with its customers, vendors, service providers, counterparties and other third parties to develop secure data and information processing, storage and transmission capabilities to prevent against information security risks, the Bank routinely manages personal, confidential and proprietary information by electronic means, and the Bank may be the target of attempted cyber-attack. If the Bank cannot maintain an effective and secure electronic data and information management and processing system or the Bank fails to maintain complete physical and electronic records, this could result in regulatory sanctions and serious reputational or financial harm to the Bank.

The Bank takes protective measures and continuously monitors and develops its systems to protect its technology infrastructure, data and information from misappropriation or corruption, but its systems, software and networks nevertheless may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. An interception, misuse or mishandling of personal, confidential or proprietary information sent to or received from a customer, vendor, service provider, counterparty or third party could result in legal liability, regulatory action, reputational harm and financial loss. There can be no assurance that the Bank will not suffer material losses from operational risk in the future, including those relating to any security breaches.

The Bank has seen in recent years computer systems of companies and organizations being targeted, not only by cyber criminals, but also by activists and rogue states. The Bank has been, and continues to be, subject to a range of cyber-attacks, such as denial of service, malware and phishing. Cyber-attacks could give rise to the loss of significant amounts of customer data and other sensitive information, as well as significant levels of liquid assets (including cash). In addition, cyber-attacks could disrupt the Bank's electronic systems used to service its customers. As attempted attacks continue to evolve in scope and sophistication, the Bank may incur significant costs in order to modify or enhance its protective measures against such attacks, or to investigate or remediate any vulnerability or resulting breach, or in communicating cyber-attacks to its customers. If the Bank fails to effectively manage its cyber security risk, for example, by failing to update its systems and processes in response to new threats, this could harm its reputation and adversely affect its operating results, financial condition and prospects through the payment of customer compensation, regulatory penalties and fines and/or through the loss of assets. In addition, it may also be impacted by cyber-attacks against national critical infrastructures of the countries where it operates; for example the telecommunications network. The Bank's information technology systems are dependent on such national critical infrastructure and any cyber-attack against such critical infrastructure could negatively affect its ability to service its customers. As the Bank does not operate such national critical infrastructure, it has limited ability to protect its information technology systems from the adverse effects of such a cyber-attack.

Although the Bank has procedures and controls to safeguard personal information in the Bank's possession, unauthorized disclosures could subject the Bank to legal actions and administrative sanctions as well as damages and reputational harm that could materially and adversely affect the Bank's operating results, financial condition and prospects.

Further, the Bank's business is exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter or prevent employee misconduct and the precautions the Bank takes to detect and prevent this activity may not always be effective. In addition, the Bank may be required to report events related to information security issues (including any cyber security issues), events where customer information may be compromised, unauthorized access and other security breaches, to the relevant regulatory authorities. Any material disruption or slowdown of the Bank's systems could cause information, including data related to customer requests, to be lost or to be delivered to its customers with delays or errors, which could reduce demand for the Bank's services and products, could produce customer claims and could materially and adversely affect the Bank.

The Chilean government enacted Law No. 21,234, published on the Official Gazette on May 29, 2020, which modifies Law 20,009 and limits the scope of responsibility for users and issuers when a customer's cards and/or online payment or transfer user information are lost, stolen or fraudulently used (including through hacking and cloning). Cardholders are obligated to notify the bank through an easily accessible channel when their cards have been lost, stolen, or fraudulently used. In cases of fraud, the user will not be responsible for any fraudulent transactions that the user did not authorize and which were made prior to the fraud notification or within the 30 calendar days following the issuance of said notice. The law also considers increasing fines and jail time for those committing theft or fraud with credit cards, which must be legally pursued by the card issuer.

In light of these new regulations, the Bank is trying to limit the exposure of its customers to credit card fraud through education, insurance coverage, marketing campaigns, daily transfer amount limits, chip technology, improved ATM software, and other technological improvements. It is possible that the Bank may have to assume the cost of transactions made using credit or debit cards that are lost, stolen or fraudulently used, or transactions made using lost or stolen passwords or other credentials that grant access to a person's financial products provided by the Bank. Any such events could increase the Bank's operational expenses and have an adverse effect on the Bank's operating results, financial condition and prospects.

The Bank relies on third parties and affiliates for important products and services.

Third-party vendors and certain affiliated companies provide key components of the Bank's business infrastructure such as loan and deposit servicing systems, back office and business process support, information technology production and support, internet connections and network access. Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the Bank, including with respect to security breaches affecting such parties. The Bank is also subject to risk with respect to security breaches affecting the vendors and other parties that interact with these service providers. As the Bank's interconnectivity with these third parties and affiliated companies increases, the Bank increasingly faces the risk of operational failure with respect to their systems. The Bank may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs and potentially decreasing customer satisfaction. In addition, any problems caused by these third parties or affiliated companies, including as a result of them not providing the Bank their services for any reason, or performing their services poorly, could adversely affect the Bank's ability to deliver products and services to customers and otherwise conduct its business, which could lead to reputational damage and regulatory investigations and intervention. Replacing these third-party vendors could also entail significant delays and expense. Further, the operational and regulatory risk the Bank faces as a result of these arrangements may be increased to the extent that it restructures such arrangements. Any restructuring could involve significant expense to the Bank and entail significant delivery and execution risk, which could have a material adverse effect on its business, operations and financial condition.

Damage to the Bank's reputation could cause harm to the Bank's business prospects.

Maintaining a positive reputation is critical to protect the Bank's brand, attract and retain customers, investors and employees and conduct business transactions with counterparties. Damage to the Bank's reputation can therefore cause significant harm to the Bank's business and prospects. Harm to the Bank's reputation can arise from numerous sources, including, among others, employee misconduct, including the possibility of fraud perpetrated by its employees, litigation or regulatory enforcement, failure to deliver minimum standards of service and quality, compliance failures, unethical behavior, and the activities of customers and counterparties. Further, negative publicity regarding the Bank may result in harm to the Bank's prospects.

Actions by the financial services industry generally or by certain members of, or individuals in, the industry can also affect the Bank's reputation. For example, the role played by financial services firms in the financial crisis and the seeming shift toward increasing regulatory supervision and enforcement has caused public perception of the Bank and others in the financial services industry to decline.

The Bank could suffer significant reputational harm if the Bank fails to identify and manage potential conflicts of interest properly. The failure, or perceived failure, to adequately address conflicts of interest could affect the willingness of customers to deal with the Bank, or give rise to litigation or enforcement actions against the Bank. Therefore, there can be no assurance that conflicts of interest will not arise in the future that could cause material harm to the Bank.

The Bank may be the subject of misinformation and misrepresentations deliberately propagated to harm its reputation or for other deceitful purposes, or by profiteering short sellers seeking to gain an illegal market advantage by spreading false information about the Bank. There can be no assurance that the Bank will effectively neutralize and contain a false information that may be propagated regarding the business, which could have an adverse effect on the Bank's operating results, financial condition and prospects.

The Bank is subject to market, operational and other related risks associated with its derivative transactions that could have a material adverse effect on the Bank.

The Bank enters into derivative transactions for trading purposes as well as for hedging purposes. The Bank is subject to market, credit and operational risks associated with these transactions, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedge cost) and credit or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder, including providing sufficient collateral).

Market practices and documentation for derivative transactions in Chile may differ from those in other countries. For example, documentation may not incorporate terms and conditions of derivatives transactions as commonly understood in other countries. In addition, the execution and performance of these transactions depend on the Bank's ability to maintain adequate control and administration systems.

Moreover, the Bank's ability to adequately monitor, analyze and report derivative transactions continues to depend, largely, on the Bank's information technology systems. These factors further increase the risks associated with these transactions and could have a material adverse effect on the Bank.

The Bank is subject to counterparty risk in its banking business.

The Bank is exposed to counterparty risk in addition to credit risks associated with lending activities. Counterparty risk may arise from, for example, investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to the Bank or executing securities, futures or currency trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, clearing houses or other financial intermediaries.

The Bank routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, hedge funds and other institutional customers. Defaults by, and even rumors or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. Many of the routine transactions the Bank enters into expose the Bank to significant credit risk in the event of default by one of the Bank's significant counterparties.

The Bank's loan and investment portfolios are subject to risk of prepayment, which could have a material adverse effect on the Bank.

The Bank's fixed rate loan and investment portfolios are subject to prepayment risk, which results from the ability of a borrower or issuer to pay a debt obligation prior to maturity. Generally, in a declining interest rate environment, prepayment activity increases, which reduces the weighted average lives of the Bank's earning assets and could have a material adverse effect on the Bank. The Bank would also be required to amortize net premiums into income over a shorter period of time, thereby reducing the corresponding asset yield and net interest income. Prepayment risk also has an adverse impact on credit card and collateralized mortgage loans, since prepayments could shorten the weighted average life of these assets, which may result in a mismatch in the Bank's funding obligations and reinvestment at lower yields.

The Bank's loan and investment portfolios are subject to prepayment risk, which results from the ability of a borrower or issuer to pay a debt obligation prior to maturity. Generally, in a declining interest rate environment, prepayment activity increases, which reduces the weighted average lives of the Bank's earning assets and adversely affects the Bank's operating results. Prepayment risk also has an adverse impact on the Bank's residential mortgage portfolio, since prepayments could shorten the weighted average life of this portfolio, which may result in a mismatch in funding or in reinvestment at lower yields. Prepayment risk is inherent in the Bank's commercial activity and an increase in prepayments could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank may not effectively manage risks associated with the replacement of benchmark indices.

Interest rate, equity, foreign exchange rate and other types of indices which are deemed to be "benchmarks" are the subject of increased regulatory scrutiny. For example, in accordance with announcements by the Financial Conduct Authority ("FCA"), which regulates the publication of the London Interbank Offered Rate ("LIBOR"), and ICE Benchmark Administration Limited, which administers LIBOR publication, the publication of most non-U.S. dollar LIBOR rates ceased as of the end of December 2021. Furthermore, while certain U.S. dollar LIBOR tenors continued to be published until June 30, 2023, the U.S. banking agencies and the FCA had issued guidance instructing banks to cease entering into new contracts referencing U.S. dollar LIBOR no later than December 31, 2021, with certain exceptions. These and other reforms may cause benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be fully anticipated which introduces a number of risks for the business. These risks include (i) legal risks arising from potential changes required to documentation for new and existing transactions; (ii) financial risks arising from any changes in the valuation of financial instruments linked to benchmark rates; (iii) pricing risks arising from how changes to benchmark indices could impact pricing mechanisms on some instruments; (iv) operational risks arising from the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes; and (v) conduct risks arising from the potential impact of communication with customers and engagement during the transition period. As of December 31, 2024, the Bank did not have any derivatives linked to LIBOR or bonds maturing that use a LIBOR benchmark. However, it is currently not possible to determine whether, or to what extent, the implementation of alternative benchmark rates could affect the Bank's business, results of operations or financial condition.

The Bank relies on recruiting, retaining and developing appropriate senior management and skilled personnel.

The Bank's continued success depends in part on the continued service of key members of its senior executive team and other key employees. The ability to continue to attract, train, motivate and retain highly qualified and talented professionals is a key element of the Bank's strategy. The successful implementation of the Bank's strategy and culture depends on the availability of skilled and appropriate management, both at the Bank's head office and at each of the Bank's business units. If the Bank or one of the Bank's business units or other functions fails to staff its operations appropriately or loses one or more of its key senior executives or other key employees and fails to replace them in a satisfactory and timely manner, the Bank's business, financial condition and results of operations, including control and operational risks, may be adversely affected.

In addition, the financial industry has and may continue to experience more stringent regulation of employee compensation, which could have an adverse effect on the Bank's ability to hire or retain the most qualified employees. If the Bank fails or is unable to attract and appropriately train, motivate and retain qualified professionals, the Bank's business may also be adversely affected.

The Bank's insurance coverage may not adequately cover losses resulting from the risks for which it is insured.

The Bank maintains insurance policies for its operations, including insurance for property, its money transport and directors' and officers' liability, as well as insurance against computer crimes and for employee dishonesty and mistakes, theft and fraudulent use of credit cards, central processing and automatic teller errors and its vehicles. Due to the nature of the Bank's operations and the nature of the risks that it faces, there can be no assurance that the coverage that it maintains is adequate to cover the losses for which the Bank believes it is insured.

The Bank may not be able to detect or prevent money laundering and other financial crime activities fully or on a timely basis, which could expose the Bank to additional liability and could have a material adverse effect on the Bank.

The Bank is required to comply with applicable anti-money laundering ("AML"), anti-terrorism, anti-bribery and corruption, sanctions and other laws and regulations applicable to it. These laws and regulations require the Bank, among other things, to conduct full customer due diligence (including sanctions and politically-exposed person screening), keep the Bank's customer, account and transaction information up to date and have implemented financial crime policies and procedures detailing what is required from those responsible. The Bank is also required to conduct AML training for its employees and to report suspicious transactions and activity to appropriate law enforcement following full investigation by the Bank's AML team.

Financial and economic crimes have become the subject of enhanced regulatory scrutiny and supervision by regulators globally. AML, anti-bribery and corruption and sanctions laws and regulations are also increasingly complex and detailed. For example, on August 17, 2023, Law No. 21,595 on economic crimes and offenses against the environment was published in Chile. This new law, among others, (i) systematizes a series of existing business-related offenses, (ii) penalizes new offenses based on money laundering, (iii) strengthens existing penalties by excluding from custodial sentences certain benefits that previously allowed economic crime offenders to avoid imprisonment, confiscation of profits and/or fines, and (iv) amends several provisions to the Corporate Criminal Liability Act (Law No. 20,393, of 2009, as amended) by expanding the variety of criminal offenses that corporations can be found to have committed, thereby easing the requirements to hold corporations liable, and by establishing new penalties.

Compliance with laws and regulations related financial and economic crime and AML, anti-bribery and corruption and sanctions laws and regulations requires automated systems, sophisticated monitoring and skilled compliance personnel. The Bank has developed policies and procedures aimed at detecting and preventing the use of the Bank's banking network for money laundering and other financial crime related activities. However, emerging technologies, such as cryptocurrencies and blockchain, could limit the Bank's ability to track the movement of funds. The Bank's ability to comply with the legal requirements depends on the Bank's ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability. These require implementation and embedding within the Bank's business effective controls and monitoring, which, in turn, requires on-going changes to systems and operational activities. Financial crime is continually evolving and, as noted is subject to increasingly stringent regulatory oversight and focus. This requires proactive and adaptable responses from the Bank so that the Bank is able to deter threats and criminality effectively. Even known threats can never be fully eliminated, and there will be instances where the Bank may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Bank relies heavily on its employees to assist the Bank by spotting such activities and reporting them, and the Bank's employees have varying degrees of experience in recognizing criminal tactics and understanding the level of sophistication of criminal organizations. Where the Bank outsources any of its customer due diligence, customer screening or anti financial crime operations, the Bank remains responsible and accountable for full compliance and any breaches. If the Bank is unable to apply the necessary scrutiny and oversight of third parties to whom the Bank outsources certain tasks and processes, there remains a risk of regulatory breach.

If the Bank is unable to fully comply with applicable laws, regulations and expectations, the Bank's regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties on the Bank, including requiring a complete review of the Bank's business systems, day-to-day supervision by external consultants and ultimately the revocation of the Bank's banking license.

The reputational damage to the Bank's business and global brand would be severe if the Bank were found to have breached AML, anti-bribery and corruption or sanctions requirements. The Bank's reputation could also suffer if the Bank is unable to protect the bank products and services of its customers from being used by criminals for illegal or improper purposes.

In addition, while the Bank reviews its relevant counterparties' internal policies and procedures with respect to such matters, the Bank, to a large degree, relies upon its relevant counterparties to maintain and properly apply their own appropriate compliance procedures and internal policies. Such measures, procedures and internal policies may not be completely effective in preventing third parties from using the Bank's (and the Bank's relevant counterparties') services as a conduit for illicit purposes (including illegal cash operations) without the Bank's (and the Bank's relevant counterparties') knowledge. If the Bank is associated with, or even accused of being associated with, breaches of AML, anti-terrorism or sanctions requirements, the Bank's reputation could suffer and/or the Bank could become subject to fines, sanctions and/or legal enforcement (including being added to "black lists" that would prohibit certain parties from engaging in transactions with it), any one of which could have a material adverse effect on the Bank's operating results, financial condition and prospects.

Any such risks could have a material adverse effect on the Bank's operating results, financial condition and prospects.

The Bank is exposed to risk of loss from legal and regulatory proceedings.

The Bank faces risk of loss from legal and regulatory proceedings, including tax proceedings, that could subject the Bank to monetary judgments, regulatory enforcement actions, fines and penalties. The current regulatory and tax enforcement environment in the jurisdictions in which the Bank operates reflects an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, and may lead to material operational and compliance costs.

The Bank is from time to time subject to certain regulatory investigations and civil and tax claims and party to certain legal proceedings incidental to the normal course of the Bank's business, including in connection with conflicts of interest, lending activities, relationships with the Bank's employees and other commercial or tax matters. In view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation, discovery, the Bank cannot state with confidence what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be. The amount of the Bank's reserves in respect of these matters is substantially less than the total amount of the claims asserted against the Bank and in light of the uncertainties involved in such claims and proceedings, there can be no assurance that the ultimate resolution of these matters will not significantly exceed the reserves currently accrued by the Bank. As a result, the outcome of a particular matter may be material to the Bank's operating results for a particular period. As of December 31, 2024, the Bank had provisions for legal contingencies of Ch$7,067 million.

If the Bank is unable to manage the growth of its operations, this could have an adverse impact on the Bank's profitability.

The Bank allocates management and planning resources to develop strategic plans for organic growth, and to identify possible acquisitions and disposals and areas for restructuring its businesses. From time to time, the Bank evaluates acquisition and partnership opportunities that the Bank believes offer additional value to its shareholders and are consistent with its business strategy. Most recently, in 2018, through a series of transactions, Nova Scotia Inversiones Limitada acquired BBVA Chile. On September 1, 2018, BBVA Chile was dissolved and Scotiabank Chile became its legal successor (the "Merger"). However, the Bank may not be able to identify suitable acquisition or partnership candidates, and the Bank's ability to benefit from any such acquisitions and partnerships will depend in part on the Bank's successful integration of those businesses. Any such integration, including the integration of BBVA Chile, entails significant risks such as unforeseen difficulties in integrating operations and systems and unexpected liabilities or contingencies relating to the acquired businesses, including legal claims. There can be no assurance that the Bank's expectations with regard to integration and synergies will materialize. The Bank also cannot provide assurance that the Bank will, in all cases, be able to manage its growth effectively or deliver its strategic growth objectives. Challenges that may result from the Bank's strategic growth decisions include the Bank's ability to:

- manage efficiently the operations and employees of expanding businesses;
- maintain or grow the Bank's existing customer base;
- assess the value, strengths and weaknesses of investment or acquisition candidates, including local regulation that can reduce or eliminate expected synergies;
- finance strategic investments or acquisitions;
- align the Bank's current information technology systems adequately with those of an enlarged group;
- apply the Bank's risk management policy effectively to an enlarged group; and

- manage a growing number of entities without over-committing management or losing key personnel.

Any failure to manage growth effectively could have a material adverse effect on the Bank's operating results, financial condition and prospects.

In addition, any acquisition or venture could result in the loss of key employees and inconsistencies in standards, controls, procedures and policies.

Moreover, the success of the acquisition or venture will at least in part be subject to a number of political, economic and other factors that are beyond the Bank's control. Any of these factors, individually or collectively, could have a material adverse effect on the Bank.

The Issuer's controlling shareholder has a great deal of influence over the Bank's business and its interests could conflict with yours.

The Bank of Nova Scotia, the Issuer's controlling shareholder, controls the Issuer and the Bank through its holdings in Nova Scotia Inversiones Limitada, which, in turn, is a controlled subsidiary of The Bank of Nova Scotia. See also "Management and Shareholders—Major Shareholders" for a discussion about the shareholding structure of the Bank.

Due to its share ownership, the Issuer's controlling shareholder has the ability to control the Issuer and its subsidiaries, including the ability to:

- elect the majority of the directors and exercise control over its company and subsidiaries;
- cause the appointment of its principal officers;
- declare the payment of any dividends;
- agree to sell or otherwise transfer its controlling stake in it; and
- determine the outcome of substantially all actions requiring shareholder approval, including amendments of its bylaws, transactions with related parties, corporate reorganizations, acquisitions and disposals of assets and issuance of additional equity securities, if any.

The Issuer operates as a standalone subsidiary of The Bank of Nova Scotia. Its controlling shareholder has no liability for the Bank's banking operations, except for the amount of its holdings of the Issuer's capital stock. The interests of Nova Scotia Inversiones Limitada may differ from the Bank's interests or those of the Issuer's other shareholders and the concentration of control in Nova Scotia Inversiones Limitada will limit other shareholders' ability to influence corporate matters. As a result, the Issuer may take actions that its other shareholders do not view as beneficial.

Failure to obtain accurate and complete information from or on behalf of the Bank's customers and counterparties could adversely affect the Bank's results.

When deciding to extend credit or enter into other transactions with customers and counterparties, the Bank may rely on information provided to it by or on behalf of customers and counterparties, including audited financial statements and other financial information. The Bank also may rely on representations of customers and counterparties as to the completeness and accuracy of the information. The Bank's financial results could be adversely impacted if the financial statements and other financial information relating to customers and counterparties on which it relies do not comply with the relevant generally accepted accounting practices or are materially misleading.

Risks Factors in Respect of Chile

The Bank's growth, asset quality and profitability may be adversely affected by macroeconomic and political conditions in Chile.

The Bank operates in a heavily regulated market in Chile. A substantial number of the Bank's loans are to borrowers doing business in Chile. Chile's economy has experienced significant volatility in recent decades, characterized, in some cases, by slow or regressive growth, declining investment and hyperinflation. This volatility resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which the Bank lends. The Chilean economy may not continue to grow at similar rates as in the past or future developments may negatively affect Chile's overall levels of economic activity.

Negative and fluctuating economic conditions, such as slowing or negative growth and a changing interest rate and inflationary environment, impact the Bank's profitability by causing lending margins to decrease and credit quality to decline and leading to decreased demand for higher margin products and services. Negative and fluctuating economic conditions in Chile could also result in government defaults on public debt. This could affect the Bank in two ways: directly, through portfolio losses, and indirectly, through instabilities that a default in public debt could cause to the banking system as a whole, particularly since commercial banks' exposure to government debt is high in Chile.

The Bank's revenues are also subject to risk of loss from unfavorable political and diplomatic developments, social instability, and changes in governmental policies, including expropriation, nationalization, international ownership legislation, interest-rate caps and tax policies. See also "—Political, legal, regulatory and economic uncertainty arising from social unrest and the outcome social reforms could adversely impact the Bank's business" below.

As a banking group marketing its products and financial services generally to Chilean consumers, unfavorable economic conditions could materially affect the credit risk and demand for many of the Bank's products and services. In response to difficult economic conditions, the Bank may also seek to reduce its exposure to customers with potentially riskier credits. Furthermore, adverse economic conditions may increase the number of the Bank's customers that are unable to pay for credit services provided, leading to a possible increase in non-performing loans.

Any future fluctuation in oil prices may give rise to volatility in the financial markets and further economic instability in oil-dependent regions, such as Chile. In addition, the ability of borrowers in or exposed to the oil sector has been and may be further adversely affected by such price fluctuations.

The Bank's growth, asset quality and profitability may be adversely affected by volatile macroeconomic and political conditions in Chile.

Any material change to United States trade policy with respect to Chile could have a material adverse effect on the economy, which could, in turn, materially harm the Bank's financial condition and results of operations.

Political, legal, regulatory and economic uncertainty arising from social unrest and the outcome social reforms could adversely impact the Bank's business.

In October 2019, the Government of Chile announced an increase in subway fares, which led to massive protests and a rise in social unrest as a result of growing public concern over perceived social inequality. Some groups of protestors have vandalized public and private assets in Santiago and other major cities. The protests and associated violence caused commercial disruption throughout the country, especially in Santiago and other large cities, such as Valparaiso, Concepcion, Antofagasta and La Serena. In response to these events, the former government implemented a social agenda intended to increase basic pensions, expand social health coverage, and reduce and stabilize tariffs for some public services (such as public transportation and electricity) distributed to regulated customers.

To fund these initiatives, the Chilean Congress approved a tax reform on January 29, 2020 (the "2020 Tax Reform"). The 2020 Tax Reform, enacted on February 24, 2020 as Law No. 21,210, includes, among other measures: (i) an increase from 35% to 40% in the personal income tax bracket for taxpayers with a gross monthly income in excess of Ch$17.0 million; (ii) a progressive tax ranging from 0.075% to 0.275% on the total taxable value of real estate properties owned by a taxpayer with a total taxable value exceeding Ch$400.0 million; (iii) stricter requirements for private investment funds to benefit from preferential tax treatment; (iv) the creation of a new special tax regime for small and medium-sized enterprises ("SMEs"); (v) a partially integrated regime as a single tax system for large companies, with a 27% tax rate that will be partially deductible from the final tax to be paid by the owners of the taxpayer entity, who will have a maximum tax burden of 44.5%; (vi) the discontinuation of the provision allowing Chilean holding companies that incur tax losses to claim a refund of the corporate income tax paid by their Chilean affiliates on dividends received by such holding company; (vii) a more restrictive treatment for capital gains taxation; (viii) a special tax contribution of 1% on investments in fixed assets in excess of U.S.$10 million (for the part of the excess) for the benefit of regions hosting projects that exceed U.S.$10 million when a given project requires submission to the environmental approval system for approval; (ix) an accelerated depreciation regime of 50% of the value of new fixed assets imported or acquired between October 31, 2019 and December 31, 2021, with the remaining 50% to be subject to accelerated depreciation; (x) amendments to the tax on emissions from thermal power plants, pursuant to Law No. 20,780, which changes the "taxable event" from emissions from boilers and turbines with a thermal capacity of 50 MWt or more, to emissions of polluted compounds or CO2 to the extent that they exceed legally-mandated thresholds, with a possibility to compensate for said tax by emission reduction projects; (xi) the extension of the ability to credit 100% of the corporate income tax to December 31, 2026 for investors residing in countries which have signed a tax treaty with Chile before January 1, 2020, even if such a treaty is not yet in force; (xii) a series of tax benefits and incentives, or extensions of previously established benefits, for projects developed in remote regions; (xiii) limitations for reduced tax rates regarding payment of interests to foreign banks and financial institutions; and (xiv) a series of modifications related to the Value Added Tax Law.

Finally, important political and social actors claim that the social unrest reflects the desire of a new social contract, leading to a constitutional reform process. The current Constitution, dating back to 1980, was challenged through a political agreement on November 15, 2019, initiating a referendum in October 2020. The referendum resulted in a majority vote in favor of drafting a new Constitution by a Constitutional Convention composed entirely of elected citizens. However, this period of uncertainty relating to the Constitution process caused volatility in financial markets, depreciation of the Chilean peso, and financial sector instability, prompting interventions by the Central Bank. Banks and financial institutions also suffered damages from vandalism during the protests, though insurance mitigated some losses.

Despite initial optimism, the constitutional process faced setbacks. In a September 4, 2022 referendum, 61.86% of voters rejected the proposed draft, leading to a renewed political effort to draft another version under Law No. 21,533. This law established key principles and an Experts' Commission to guide the process. However, in a second referendum on December 17, 2023, 55.79% of voters rejected the revised draft. Therefore, as of the date of this Offering Circular, the current Constitution remains in effect and the Chilean government has officially closed the constitutional reform process, stating that no new initiatives will be pursued during the current presidential term, which ends in March 2026.

The process of drafting a new Constitution is currently paused and if the discussion of drafting a new Constitution is renewed, it may have an impact on, among other matters, natural resources, labor and social security legislation, which, in turn, may affect the Bank's business, financial condition or results of operations.

Changes in taxes, including the corporate tax rate, in Chile may have an adverse effect on the Bank and the Bank's customers.

On June 30, 2022, Law No. 21,453 was published in the Official Gazette, with the objective to amend the Chilean Tax Code by requiring banks and other financial institutions to submit information on balances and amounts credited to financial accounts to the Chilean Internal Revenue Service. On March 8, 2023, the tax reform bill which was submitted to the Chilean Congress on July 7, 2022 by the Chilean government, was rejected in its entirety by the Chilean Chamber of Deputies. This tax reform bill proposed several amendments to the Chilean tax system including, among other changes, the replacement of the current partially integrated system for large companies with a new general dual tax system, which separates the corporate tax from the taxation of its owners and the taxes to be paid by, and rates applicable to, both businesses and individuals. Due to this rejection, the Chilean government will not be able to propose another tax reform bill over the same issues for a period of one year unless the Chilean government exerts its right to insist pursuant to article 68 of the Constitution, in which case it would need the approval of two thirds of the Senate.

On October 24, 2024, Law No. 21,713 was published in the Official Gazette, establishing rules to ensure compliance with tax obligations. Most of the provisions of this law came into effect on November 1, 2024. The key aspects of this law, among others, are related to: (i) corporate reorganizations, including the legal recognition of international reorganizations and the requirements for the Chilean Internal Revenue Service power of appraisal not to apply; (ii) international taxation, including the strengthening of transfer pricing rules, modifications regarding the relationship rules in the case of provisions associated with controlled foreign corporations, and the substitution of the definition of jurisdictions with a preferential tax regime; (iii) a specific voluntary disclosure program regarding assets and income abroad that were not timely declared or taxed in Chile; (iv) modifications regarding the procedure for requesting information subject to bank secrecy; (v) multiple modifications regarding audit matters, including reporting obligation for digital platforms, the calculation of default interest, audit processes, tax penalties and infractions, among others; (vi) value added tax ("VAT"), including modifications on VAT regarding digital services and regarding the export VAT request procedure; (vii) multiple modifications regarding the Tax Ombudsman; and (viii) General Anti Avoidance Rules, maintaining a judicial procedure but including a stage before the Executive Committee, a newly created body responsible for recommending whether or not the General Anti-Avoidance Rule should be applied. See also "Description of Chilean Banking Regulatory System—Recent Regulatory Developments."

As of the date of this Offering Circular, the effect of the tax reforms, if implemented in the future, on the Bank and its customers remains uncertain.

Developments in other countries may affect the Bank, including the prices for the Bank's securities.

The prices of securities issued by Chilean companies, including banks, are influenced to varying degrees by economic and market considerations in other countries. The Bank cannot assure you that future developments in or affecting the Chilean economy, including consequences of economic difficulties in other markets, will not materially and adversely affect the Bank's business, financial condition or results of operations.

The Bank is exposed to risks related to the weakness and volatility of the economic and political situation in Asia, the United States, Canada (where The Bank of Nova Scotia, the Bank's controlling shareholder, is based), Europe, Brazil, Argentina and other nations. Although economic conditions in Europe and the United States may differ significantly from economic conditions in Chile, investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of Chilean issuers. In particular, investor perceptions of the risks associated with the Bank's securities may be affected by perception of risk conditions in Canada.

If these, or other nations' economic conditions deteriorate, the economy in Chile, as both a neighboring country and a trading partner, could also be affected and could experience slower growth than in recent years, with possible adverse impact on the Bank's borrowers and counterparties. If this were to occur, the Bank would potentially need to increase its allowances for credit losses, thus affecting the Bank's financial results, the Bank's results of operations and the price of the Bank's securities. As of December 31, 2024, 1.6% of the Bank's commercial loans were held abroad. There can be no assurance that the ongoing effects of the global financial crisis will not negatively impact growth, consumption, unemployment, investment and the price of exports in Chile. Crises and political uncertainties in other Latin American countries could also have an adverse effect on Chile, the price of the Bank's securities or the Bank's business.

Chile has considerable economic ties with China, the United States and Europe. In 2024, approximately 38.2% of Chile's exports went to China, mainly copper. China's economy grew slower in 2022 following the initial quick recovery after the coronavirus pandemic but grew by 5.2% in 2023. China's economy grew by 5.0% in 2024, driven by stimulus measures and high-tech investments, despite weak domestic demand and demographic pressures. The increase or any decrease in economic activity in China may impact Chile's GDP and export growth as well as the price of copper, which is Chile's main export. In 2024, Chile exported approximately 15.5% of its total exports to the United States and 10.9% to Europe. The United States government has recently indicated its intent to adopt a new approach to trade policy and has initiated the imposition of tariffs, and may impose new or additional tariffs, on foreign goods, which may impact Chilean exports and result in reduced exports to the United States. For instance, on April 2, 2024, the United States government announced that a 10% base tariff will be applied to all imports to the United States effective April 5, 2025 and that almost 60 countries will, in lieu of the 10% base tariff, be assigned higher reciprocal tariffs on imports effective April 9, 2025. According to the United States government's announcement, Chile will, for the time being, be subject to the 10% base tariff. Such tariffs and any additional changes in U.S. trade policy could result in one or more other jurisdictions adopting responsive trade policies making it more difficult or costly to export to those countries. We cannot predict future trade policy or its impact on the Chilean economy. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact us and the Chilean economy.

Fluctuations in the rate of inflation may affect the Bank's results of operations.

High levels of inflation in Chile could adversely affect the Chilean economy and have an adverse effect on the Bank's business, financial condition and results of operations. Extended periods of deflation could also have an adverse effect on the Bank's business, financial condition and results of operations. In 2009, Chile experienced deflation of 1.4% as the global economy contracted. In 2022, CPI inflation rose to 12.8% driven by the lagging effect of the increased private consumption in 2021 and the commodity price shocks triggered by Russia's invasion of Ukraine in 2022. Even though inflation decreased to 3.9% in 2023, the prolonged period of elevated inflation levels prior to this created a challenging environment for economic growth, with more restrictive financing conditions, a difficult labor market and depletion of household liquidity. In 2024, inflation increased to 4.5%, of which close to one percentage point was attributable to the impact of higher electricity rates. These rates were frozen in 2019 to help low-income families to overcome the expected rate increases in that year. Since the second part of 2024, the rates have been unfrozen to support the reduction of indebtedness of the electric companies. Excluding the impact of higher electricity rates, inflation in 2024 was 3.5%.

The Bank's assets and liabilities are denominated in Chilean pesos, UF and foreign currencies. The UF is revalued in monthly cycles. On each day in the period beginning on the tenth day of any given month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the change in the Chilean Consumer Price Index during the prior calendar month. There can be no assurance that the Bank's business, financial condition and result of operations in the future will not be adversely affected by changing levels of inflation, including from extended periods of inflation that adversely affect economic growth or periods of deflation.

Any change in the methodology of how the CPI index or the UF is calculated could also adversely affect the Bank's business, financial condition and results of operations.

Currency fluctuations could adversely affect the Bank's financial condition and results of operations and the value of the Bank's securities.

Any future changes in the value of the Chilean peso against the U.S. dollar will affect the U.S. dollar value of the Bank's securities. The Chilean peso has been subject to large devaluations and appreciations in the past and could be subject to significant fluctuations in the future. The Bank's results of operations may be affected by fluctuations in the exchange rates between the peso and the dollar despite the Bank's policy and Chilean regulations relating to the general avoidance of material exchange rate exposure. In order to avoid material exchange rate exposure, the Bank enters into forward exchange transactions.

The following table shows the value of the Chilean peso relative to the U.S. dollar as reported by the Central Bank at year end for the periods indicated and the devaluation or appreciation of the peso relative to the U.S. dollar in each of those years.

Year	**Exchange Rate (Ch$) at Period End**	**Appreciation (Devaluation) (%)**
2020	711.24	(4.5)
2021	850.25	19.5
2022	859.51	1.1
2023	884.59	2.9
2024	992.12	12.2
2025 (through April 3, 2025)	949.83	(4.3)

Source: Central Bank.

The Bank may decide to change its policy regarding exchange rate exposure. Regulations that limit such exposures may also be amended or eliminated. Greater exchange rate risk will increase the Bank's exposure to the devaluation of the peso, and any such devaluation may impair the Bank's capacity to service foreign currency obligations and may, therefore, materially and adversely affect its financial condition and results of operations. Notwithstanding the existence of general policies and regulations that limit material exchange rate exposures, the economic policies of the Chilean government and any future fluctuations of the peso against the dollar could affect the Bank's financial condition and results of operations.

The Bank is subject to substantial regulation and regulatory and governmental oversight, which could adversely affect its business, operations and financial condition.

As a financial institution, the Bank is subject to extensive regulation, which materially affects its businesses. Therefore, the statutes, regulations and policies to which the Bank is subject may be changed at any time. In addition, the interpretation and the application by regulators of the laws and regulations to which the Bank is subject may also change from time to time. In the wake of the global financial crisis of 2008, the financial services industry continues to experience significant financial regulatory reform in jurisdictions outside of Chile that directly or indirectly affect the Bank's business, including Canada, the UK, the European Union, the United States, Latin America and other jurisdictions. Changes to current legislation and their implementation through regulation (including additional capital, leverage, funding, liquidity and tax requirements), policies (including fiscal and monetary policies established by central banks and financial regulators, and changes to global trade policies), and other legal and regulatory actions may impose additional regulatory burden on The Bank of Nova Scotia, including the Bank, in these jurisdictions. The manner in which these laws and related regulations are applied to the operations of financial institutions is still evolving. Moreover, to the extent these recently adopted regulations are implemented inconsistently in the various jurisdictions in which the Bank operates, the Bank may face higher compliance costs.

Any legislative or regulatory actions and any required changes to the Bank's business operations resulting from such legislation and regulations, as well as any deficiencies in the Bank's compliance with such legislation and regulation, could result in significant loss of revenue, limit the Bank's ability to pursue business opportunities in which it might otherwise consider engaging and provide certain products and services, affect the value of assets that it holds, require the Bank to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Bank or otherwise adversely affect its businesses. In particular, legislative or regulatory actions resulting in enhanced prudential standards, in particular with respect to capital and liquidity, could impose a significant regulatory burden on the Bank or on its bank subsidiaries and could limit the bank subsidiaries' ability to distribute capital and liquidity to the Bank, thereby negatively impacting the Bank. Future liquidity standards could require the Bank to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect its net interest margin. Moreover, the Bank's regulatory authorities, as part of their supervisory function, periodically review the Bank's allowances for credit losses. Such regulators may require the Bank to increase its allowances for credit losses or to recognize further losses. Any such additional provisions for credit losses, as required by these regulatory agencies, whose views may differ from those of the Bank's management, could have an adverse effect on the Bank's earnings and financial condition. Accordingly, there can be no assurance that future changes in regulations or in their interpretation or application will not adversely affect the Bank.

The wide range of regulations, actions and proposals which most significantly affect the Bank, or which could most significantly affect the Bank in the future, relate to capital requirements, funding and liquidity and regulatory reforms in Chile, and are discussed in further detail below. These and other regulatory reforms adopted or proposed in the wake of the financial crisis have increased and may continue to materially increase the Bank's operating costs and negatively impact its business model. Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis. In addition, the volume, granularity, frequency and scale of regulatory and other reporting requirements necessitate a clear data strategy to enable consistent data aggregation, reporting and management. Inadequate management information systems or processes, including those relating to risk data aggregation and risk reporting, could lead to a failure to meet regulatory reporting requirements or other internal or external information demands and the Bank may face supervisory measures as a result.

The Bank is subject to regulation by the CMF and by the Central Bank with regard to certain matters, including reserve requirements, interest rates, foreign exchange mismatches and market risks. Chilean laws, regulations, policies and interpretations of laws relating to the banking sector and financial institutions are continually evolving and changing. Any new reforms could result in increased competition in the industry and thus may have a material adverse effect on the Bank's financial condition and results of operations.

Pursuant to the New General Banking Law, all Chilean banks may, subject to the approval of the CMF, engage in certain businesses other than commercial banking depending on the risk associated with such business and their financial strength. Such additional businesses include securities brokerage, mutual fund management, securitization, insurance brokerage, leasing, factoring, financial advisory, custody and transportation of securities, loan collection and financial services. The New General Banking Law also limits the discretion of the CMF to deny new banking licenses. There can be no assurance that regulators will not in the future impose more restrictive limitations on the activities of banks, including the Bank. Any such change could have a material adverse effect on the Bank's financial condition or results of operations.

Historically, Chilean banks have not paid interest on amounts deposited in checking accounts. The Bank has begun to pay interest on some checking accounts under certain conditions. If competition or other factors lead the Bank to pay higher interest rates on checking accounts, to relax the conditions under which the Bank pays interest or to increase the number of checking accounts on which the Bank pays interest, any such change could have a material adverse effect on the Bank's financial condition or results of operations.

In recent years, new laws, rules and regulations as well as legislative initiatives governing or otherwise relating to the operations of financial institutions have been introduced in Chile, including with respect to the maximum rates that can be charged on loans, new minimum capital requirements in line with Basel III regulations, new rules regarding bank liquidation, provision of certain technology-based financial services, and customer protections. See "Description of Chilean Banking Regulatory System—Recent Regulatory Developments."

As of the date of this Offering Circular, the effect of the ongoing regulatory reforms and amendments on the Bank and its customers, if implemented, remains uncertain.

A change in labor laws in Chile or a worsening of labor relations in the Bank could impact the Bank's business.

As of December 31, 2024, on a consolidated basis, the Bank had 7,156 employees. Of the total number of employees, approximately 53% were unionized as of December 31, 2024. As of the date of this Offering Circular, the Bank has collective bargaining agreements with nine unions. The Bank generally applies the terms of its collective bargaining agreements to unionized and non-unionized employees. The Bank has traditionally had good relations with the Bank's employees and their unions, but the Bank cannot assure you that in the future, a strengthening of cross-industry labor movements will not materially and adversely affect its business, financial condition or results of operations.

On April 26, 2023, Law No. 21,561 was published in the Official Gazette. This new law gradually reduces the working weekly hours from 45 to 40 and allows the working schedule to be distributed over a maximum of six days a week and a minimum of four days a week. This new law is being implemented progressively over a period of five years. The types of employees who can be excluded from the working hours limitation were limited by this new regulation, with only managers, administrators, agents with administrative powers and all those who work without immediate superior supervision due to the nature of their work not being subject to this limitation.

The Chilean Congress is also discussing a bill that would change the distribution of profit sharing by companies. If this bill is implemented, companies will have to distribute to their employees between 8% and 15% of their annual net profits, a percentage that will depend on the amounts invoiced by the company during the respective annual period. The amount payable to each employee annually is capped at 20 times the monthly minimum wage. Furthermore, companies would have to make monthly payouts equal to 25% of the employee's monthly salary, capped annually at six times the monthly minimum wage. This monthly payment will be attributable to the annual payment, in case the latter results in a larger number.

On May 30, 2023, Law No. 21,578 was published. This law establishes a gradual increase in the minimum monthly salary and provides a range of benefits and subsidies for SMEs. These benefits include: (i) extension of the 10% First Category Tax rate benefit throughout 2023, and (ii) a 12.5% increase in the First Category Tax rate exclusively for the year 2024. This law came into force on June 1, 2023.

Law No. 21,645 on maternity, paternity and family life protection established obligations to offer hybrid or total remote work, subject to the employee's work functions permitting, to their employees who have the personal care of a minor under 14 years of age or care for a person with disabilities or severe or moderate dependence. Likewise, during school holiday periods (defined by the Ministry of Education), the Law contemplates the possibility of: (i) the beneficiary employees using their legal vacation time during the school holiday periods; and (ii) the transitory modification of shifts or the distribution of the daily and weekly workday. These benefit employees who have: (i) the personal care of a child under 14 years of age; or (ii) a teenager under 18 years of age with a disability or a situation of severe or moderate dependency.

These amendments will be governed by the principles of (i) positive parenthood; (ii) social co-responsibility; and (iii) protection of maternity and paternity.

In August 2024, Law No. 21,643 regarding workplace harassment and violence (the "Karin Law") entered into force, aiming to incorporate provisions from International Labour Organization Convention 190 on Violence and Harassment, ratified by the Chilean State, into the domestic labor framework. The Karin Law enhanced the obligations of the employer, particularly in terms of prevention of harassment and violence at the workplace with a specific focus on gender. The Karin Law establishes the obligation on companies to develop and implement a protocol for the prevention of sexual and other workplace harassment and violence at work. The obligation of prevention is not restricted to the preparation of the prevention protocol, as companies must permanently identify and evaluate the existing risks and necessary protection and prevention measures. The Karin Law also regulates the investigation procedure of any such prohibited conduct which may be carried out either by the Chilean Labor Board or the company.

As of the date of this Offering Circular, the effect of the ongoing changes in labor laws in Chile on the Bank and its customers, if implemented, remains uncertain.

Reform to foreign exchange regulations may create more competition for domestic banks.

On December 24, 2020, the board of directors of the Central Bank adopted a resolution amending the Compendium of Foreign Exchange Regulations (*Compendio de Normas de Cambios Internacionales*) ("CNCI") to expand the list of foreign exchange transactions that may be made in Chilean pesos. The newly authorized transactions include: (i) derivatives transactions with physical settlement in Chilean pesos; (ii) the opening and maintenance of Chilean peso bank accounts by non-Chilean domiciled/residents; (iii) the granting of credits in Chilean pesos by Chilean domiciled/residents to non-Chilean domiciled/residents; (iv) the making of deposits or other investments abroad in Chilean pesos by Chilean domiciled/residents; and (v) the granting or making of Chilean peso credits, deposits, investments or capital contributions by non-Chilean domiciled/residents. The new regulations became effective on March 1, 2021 for the transactions described in (i), (ii) and (iii), and on September 1, 2021 for the transactions described in (iv) and (v).

As of the date of this Offering Circular, banks operating abroad have not started lending into Chile in Chilean pesos. However, if they were to do so, the Bank cannot assure that this will not create a more competitive environment for lenders in Chile.

Risks Related to the Notes Generally

Notes issued under the Program may not be a suitable investment for all investors.

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in such Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more Specified Currencies, or where the Specified Currency for principal or interest payments is different from the potential investor's usual currency for holding investments;

- understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment in the relevant Notes and its ability to bear the applicable risks.

There is no trading market for the Notes; you may be unable to sell your Notes if a trading market for the Notes does not develop.

Each Series of Notes will constitute a new issue of securities with no established trading market. Approval-in-principle has been obtained from the SGX-ST for the establishment of the Program and application will be made to the SGX-ST for permission to deal in and for the listing and quotation for any Notes which are agreed at the time of issue to be so listed on the Official List. Formal approval will be granted when a particular Series of Notes has been admitted to the Official List. The Issuer cannot assure you that an active trading market for the Notes will develop. If a trading market does not develop or is not maintained, holders of the Notes may experience difficulty in reselling the Notes or may be unable to sell them at all. Even if a market develops, the liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and other factors. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes, the ability of holders to sell the Notes or the prices at which the Notes could be sold. Because the market for any Series of Notes may not be liquid, you may have to bear the economic risk of an investment in the Notes for an indefinite period of time. If an active trading market does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Issuer's performance and business prospects and other factors.

There is market price risk associated with an investment in the Notes.

The market price of each Series of Notes depends on various factors, such as changes of interest rate levels, the policy of central banks, overall economic developments, inflation rates or the supply and demand for the relevant type of Note. The market price of each Series of Notes may also be negatively affected by an increase in the Issuer's credit spreads (i.e., the difference between yields on the Issuer's debt and the yield of government bonds or swap rates of similar maturity). The Issuer's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such Series of Notes.

There is exchange rate risk and risk of exchange controls associated with an investment in the Notes.

An investment in Notes that are denominated in, or the payment of which is to be or may be made in or related to the value of, a currency or composite currency other than the currency of the country in which the purchaser is a resident or the currency in which the purchaser conducts its business or activities (the "home currency") entails significant risks that are not associated with a similar investment in a security denominated in the home currency. Such risks include the possibility of significant changes in rates of exchange between the home currency and the various foreign currencies (or composite currencies) after the issuance of such Note and the possibility of the imposition or modification of foreign exchange controls by either the U.S. or foreign governments. Such risks generally depend on economic and political events over which the Issuer has no control. In recent years, rates of exchange between certain currencies have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of any Note. Depreciation of the currency in which a Note is denominated against the relevant home currency would result in a decrease in the effective yield of such Note below its coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis.

Foreign exchange rates can either be fixed by sovereign governments or float. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar. National governments, however, rarely voluntarily allow their currencies to float freely in response to economic forces. Governments in fact use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency, or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing non-home currency denominated Notes is that their home currency-equivalent yields could be affected by governmental actions, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces, and the movement of currencies across borders. There will be no adjustment or change in the terms of such Notes in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the U.S. dollar or any applicable Specified Currency.

Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal and of premium, if any, or interest, if any, on a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note not denominated in U.S. dollars would not be available at such Note's maturity. In that event, the Issuer would make required payments in U.S. dollars on the basis of the market exchange rate on the date of such payment, or if such rate of exchange is not then available, on the basis of the market exchange rate as of the most recent practicable date. See "Special Provisions Relating to Foreign Currency Notes—Payments on Foreign Currency Notes."

There is interest rate risk associated with an investment in the Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks, and the Issuer cannot assure you that such ratings will not be lowered, suspended or withdrawn by the rating agencies.

One or more independent credit rating agencies may assign credit ratings to the Notes. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Notes to be issued under the Program. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. The Issuer cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any ratings assigned to Notes as of the date of this Offering Circular are not indicative of future performance of the Issuer's business or its future creditworthiness.

The Issuer's obligations under the Notes will be subordinated to certain statutory liabilities.

Under Chilean bankruptcy law, the Issuer's obligations under the Notes are subordinated to certain statutory preferences. In the event of the Issuer's liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses related thereto, will have preference over any other claims, including claims by any investor in respect of the Notes.

Changes in Chilean tax laws could lead to the Issuer redeeming the Notes.

Payments of interest in respect of the Notes made by the Issuer to foreign holders will be subject to Chilean interest withholding tax currently assessed at a rate of 4.0%. Subject to certain exemptions, the Issuer will pay Additional Amounts (as defined in "Description of the Notes—Payment of Additional Amounts") so that the amount received by the holder after Chilean withholding tax will equal the amount that would have been received if no such taxes had been applicable. The Notes can be redeemable at the Issuer's option, subject to applicable Chilean law, in whole but not in part, at any time, at the principal amount thereof plus accrued and unpaid interest and any Additional Amounts due thereon if, as a result of changes in the laws or regulations affecting Chilean taxation, the Issuer becomes obligated to pay Additional Amounts on the Notes based on a rate of withholding or deduction in excess of 4.0%. The Issuer cannot assure you that an increase in withholding tax rate will not be presented to or enacted by the Chilean Congress. See "Description of the Notes—Redemption Prior to Maturity Solely for Taxation Reasons" and "Certain Tax Legislation Affecting the Notes—Chilean Taxation."

The Notes are subject to certain transfer restrictions.

The Notes have not been registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and in compliance with any other applicable securities law. See "Transfer and Selling Restrictions."

The Issuer may incur additional indebtedness ranking senior or equally to the Notes or secured indebtedness.

The Issuer may issue additional senior debt, including secured indebtedness that is effectively senior to both Senior and Subordinated Notes. The Issuer may also issue Subordinated Notes that rank junior in right of payment and in liquidation to all of the Issuer's senior indebtedness. If the Issuer incurs any additional debt that ranks on an equal and ratable basis with the Notes of any series, the holders of that debt will be entitled to share ratably with the holders of the Notes of such series in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of the Issuer subject to satisfaction of certain debt limitations. This may have the effect of reducing the amount of proceeds paid to you. The Issuer also has the ability to incur collateralized debt and such debt would be effectively senior to the Notes to the extent of such collateral.

The Issuer or other intermediaries may be required to withhold U.S. tax on payments made to certain non-U.S. financial institutions on certain Notes.

Provisions of U.S. tax law commonly referred to as the Foreign Account Tax Compliance Act ("FATCA") impose a 30% withholding tax on certain payments made to a foreign financial institution (such as the Issuer) unless the financial institution is a "participating foreign financial institution," or a PFFI, or otherwise exempt from FATCA. A PFFI is a foreign financial institution that has entered into an agreement with the U.S. Treasury Department, or an FFI agreement, pursuant to which it agrees to perform specified due diligence, reporting and withholding functions. Specifically, under its FFI agreement, a PFFI will be required to obtain and report to the IRS certain information with respect to financial accounts held by U.S. persons or U.S.-owned foreign entities and to withhold 30% from "foreign passthru payments" (which term is not yet defined) that it makes to "recalcitrant" accountholders or to foreign financial institutions that are not PFFIs or otherwise exempt from FATCA on or after the date that is two years after the date of publication of final Treasury regulations defining the term "foreign passthru payments." No such withholding would apply to any payments made on debt obligations that are issued before (and not materially modified after) the date that is six months after the date on which final regulations defining the term "foreign passthru payments" are published. The United States and Chile have entered into an intergovernmental agreement to facilitate the implementation of FATCA pursuant to which Chilean financial institutions (such as the

Issuer) will be directed by Chilean authorities to register with the IRS and fulfill obligations consistent with those required under an FFI agreement. The Issuer has registered with the IRS as a PFFI. The United States has also entered into intergovernmental agreements with other jurisdictions. These intergovernmental agreements (including the intergovernmental agreement with Chile) do not address how the United States and the relevant jurisdictions (including Chile) will address "foreign passthru payments" or whether withholding on such payments will be required by financial institutions that are subject to a FATCA intergovernmental agreement. No additional amounts will be paid with respect to FATCA.

Investors may find it difficult to enforce civil liabilities against the Issuer or the Issuer's directors, officers and controlling persons.

The Issuer is a Chilean banking corporation. None of the Issuer's directors are residents of the United States and its executive officers reside outside of the United States. In addition, most of the Issuer's assets and the assets of the Issuer's directors and executive officers are located outside the United States. Although the Issuer has appointed an agent for service of process in any action against the Issuer in the United States with respect to the Issuer's Notes, none of the Issuer's directors, officers or controlling persons has consented to service of process in the United States or to the jurisdiction of any United States court. As a result, it may be difficult for investors to effect service of process within the United States on such persons.

It may also be difficult for holders of the Notes to enforce in the United States or in Chilean courts money judgments obtained in United States courts against the Issuer or the Issuer's directors and executive officers based on civil liability provisions of the U.S. federal securities laws. If a U.S. court grants a final money judgment in an action based on the civil liability provisions of the federal securities laws of the United States, enforceability of this money judgment in Chile will be subject to the obtaining of the relevant "exequatur" (i.e., recognition and enforcement of the foreign judgment) according to Chilean civil procedure law currently in force, and consequently, subject to the satisfaction of certain factors. The most important of these factors are the existence of reciprocity, the absence of a conflicting judgment by a Chilean court relating to the same parties and arising from the same facts and circumstances and the Chilean courts' determination that the U.S. courts had jurisdiction, that process was appropriately served on the defendant and that enforcement would not violate Chilean public policy. Failure to satisfy any of such requirements may result in non-enforcement of your rights.

Payments claimed in Chile on the Notes, pursuant to a judgment or otherwise, may be in pesos.

In the event that proceedings are brought against the Bank in Chile, either to enforce a judgment or as a result of an original action brought in Chile, the Bank would not be required to discharge those obligations in a currency other than Chilean currency. Such obligation may be satisfied in Chilean currency and there can be no assurance that the Bank or any other entity will be able to purchase U.S. dollars at the time or in the amounts required to make any payment due pursuant to the Notes in accordance to the exchange rate in effect on the date on which payments are made. As a result, holders of the Notes may suffer a U.S. dollar shortfall if a judgment in Chile is obtained.

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Program. Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the relevant Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact such investment will have on the potential investor's overall investment portfolio. Certain Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer.

Notes with an optional redemption are likely to have a limited market value. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Rate Notes with a multiplier or other leverage factor.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Increased regulatory oversight, uncertainty relating to the interest rate calculation process and phasing out of certain benchmarks may adversely affect the value of, return on and trading market for Floating Rate Notes linked to any such benchmark.

Various interest rates and other indices that are deemed to be "benchmarks", including the European Interbank Offered Rate ("EURIBOR"), are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective, including the European Union ("EU") Benchmark Regulation (Regulation (EU) 2016/1011) (the "Benchmarks Regulation"), which compliance date was January 1, 2018, while others are still to be implemented. These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or contribute to such benchmarks or have other consequences that cannot be predicted.

Financial benchmark reforms and changes in the interbank lending markets, have resulted in uncertainty about the future of certain rates or indices which are used as interest rate "benchmarks." These actions and uncertainties may have the effect of triggering future changes in the rules or methodologies used to calculate benchmarks or lead to the discontinuance or unavailability of benchmarks. If EURIBOR or another benchmark that the Issuer uses as the interest rate for Floating Rate Notes is no longer quoted or is discontinued, the interest rate for any such Notes will be calculated using an alternative method. See "Description of the Notes—Interest and Interest Rates." Any of these alternative methods may result in interest payments on the Notes that are higher than, lower than or that do not otherwise correlate over time with the interest payments that would have been made on the Notes if the applicable benchmark was available in its current form. Further, the same reforms, actions, costs and/or risks that may lead to the discontinuation or unavailability of EURIBOR or another benchmark may make one or more of the alternative methods impossible or impracticable to determine. Any of the foregoing may have an adverse effect on the value of, return on and trading market for any Floating Rate Notes issued by the Issuer that are based on EURIBOR or another benchmark subject to similar reform.

The administrator of EURIBOR has undertaken a number of reforms related to the governance, technical framework and manner of calculation of EURIBOR in response to these regulatory changes, including the Benchmark Regulation and may make further such changes, or discontinue EURIBOR permanently. It is not possible to predict any changes in the methods pursuant to which the EURIBOR rates are determined, or any other reforms to EURIBOR or any other relevant benchmarks that will be enacted in the EU and elsewhere, each of which may adversely affect the market value of, and the amount of interest payable on, EURIBOR Notes (as defined herein). Any such changes could cause EURIBOR to perform differently than in the past, or to cease to exist.

Based on the foregoing, investors in Notes linked to EURIBOR or another benchmark subject to similar reform should be aware that:

(a) any of the reforms or pressures described above or any other changes to the relevant benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be; and

(b) if EURIBOR is discontinued or becomes non-representative prior to the maturity of certain EURIBOR Notes, then the rate of interest on such notes will be determined by the fallback provisions provided for under "Description of the Notes—Interest Rates—EURIBOR Notes" herein. Such provisions may not operate as intended depending on market circumstances and the availability of rates information at the relevant time. This may result, to the extent that other fallback provisions provided for in this Offering Circular are not applicable, in the effective application of a fixed rate based on the EURIBOR rate that applied in the last period for which the EURIBOR rate was available.

SOFR has a limited history; the future performance of SOFR cannot be predicted based on historical performance.

The Secured Overnight Financing Rate ("SOFR") is published by the Federal Reserve Bank of New York (the "FRBNY") and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The FRBNY reports that SOFR includes all trades in the Broad General Collateral Rate, plus bilateral Treasury repurchase agreement ("repo") transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the "FICC"), a subsidiary of The Depository Trust & Clearing Corporation. SOFR is filtered by the FRBNY to remove a portion of the foregoing transactions considered to be "specials." According to the FRBNY, "specials" are repos for specific-issue collateral which take place at cash-lending rates below those for general collateral repos because cash providers are willing to accept a lesser return on their cash in order to obtain a particular security.

The publication of SOFR began on April 3, 2018 and it therefore has a limited history. In addition, the future performance of SOFR cannot be predicted based on the limited historical performance. The level of SOFR during the term of any Notes linked to SOFR may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future. While some pre-publication historical data have been released by FRBNY, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR or any Notes linked to SOFR may be inferred from any of the historical simulations or historical performance. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR or any Notes linked to SOFR. Changes in the levels of SOFR will affect the return on any Notes linked to SOFR and the trading price of such Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that SOFR or the base rate specified in the applicable prospectus supplement will be positive.

Any failure of SOFR to gain market acceptance could adversely affect the market value of and return on the Notes.

According to the Alternative Reference Rates Committee (the "ARRC"), SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to USD LIBOR in part because it is considered a good representation of general funding conditions in the overnight U.S. Treasury repurchase agreement market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants may not consider SOFR a suitable replacement or successor for benchmarks that are or have been used as a representation of the unsecured short-term funding costs of banks, which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the market value of, and return on, SOFR Notes (as defined herein).

In addition, if SOFR does not prove to be widely used as a benchmark in comparable floating rate securities, the trading price of SOFR Notes may be lower than those of securities that are linked to rates that are more widely used. Similarly, market terms for floating-rate debt securities linked to SOFR, such as the manner of determining SOFR, the spread over the base rate reflected in interest rate provisions or, if applicable, the manner of compounding the base rate, may evolve over time, and trading prices of earlier issued SOFR Notes may be lower than those of later-issued SOFR-based debt securities as a result. Investors may not be able to sell their notes at all or may not be able to sell their notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

SOFR may be modified or discontinued and the Notes may bear interest by reference to a rate other than SOFR, which could adversely affect the market value of and return on the Notes.

SOFR and the SOFR Index (as defined herein) are published by the FRBNY based on data received by it from sources other than us, and the Bank has no control over their methods of calculation, publication schedule, rate revision practices or availability at any time. There can be no guarantee, particularly given its relatively recent introduction, that SOFR or the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to SOFR or the SOFR Index. If methodological or other changes that could affect the value of SOFR or the SOFR Index are made, including changes related to the method of calculation, eligibility criteria applicable to the transactions used in such calculation, or timing related to publication, those changes may result in a reduction in the amount of interest payable on the Notes and the trading prices of any Notes linked to SOFR or the SOFR Index. In addition, the FRBNY may withdraw, modify or amend the published SOFR or the SOFR Index data in its sole discretion and without notice. Except as indicated elsewhere herein or in the applicable Pricing Supplement, the interest rate for any interest period will not be adjusted for any modifications or amendments to SOFR data that the FRBNY may publish after a specified time.

If a calculation agent is responsible for determining that a Benchmark Transition Event (as defined herein) and its related Benchmark Replacement Date (as defined herein) have occurred in respect of SOFR or the SOFR Index, then the interest rate on the affected notes will no longer be determined by reference to SOFR or the SOFR Index, as applicable, but instead will be determined by reference to a different rate, plus a spread adjustment, which the Bank refers to as a "Benchmark Replacement", as further described under the caption "Description of the Notes—SOFR Notes,"

If a particular Benchmark Replacement or Benchmark Replacement Adjustment (as defined herein) cannot be determined, then the next-available Benchmark Replacement or Benchmark Replacement Adjustment will apply. These replacement rates and adjustments may be selected, recommended or formulated by (i) the Relevant Governmental Body (as defined herein) (such as the ARRC), (ii) the International Swaps and Derivatives Association, Inc. ("ISDA") or (iii) in certain circumstances, the calculation agent. In addition, the terms of the Notes expressly authorize us to make Benchmark Replacement Conforming Changes (as defined herein) with respect to, among other things, changes to the definition of "interest period", the timing and frequency of determining rates and making payments of interest and other administrative matters. The determination of a Benchmark Replacement, the calculation of the interest rate on the affected notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of the Notes in connection with a Benchmark Transition Event, could adversely affect the market value of, and return on, the Notes.

In addition, (i) the composition and characteristics of the Benchmark Replacement will not be the same as those of SOFR (however it is calculated in respect of the affected notes) or the SOFR Index, as applicable, the Benchmark Replacement may not be the economic equivalent of SOFR or the SOFR Index, there can be no assurance that the Benchmark Replacement will perform in the same way as SOFR or the SOFR Index would have at any time and there is no guarantee that the Benchmark Replacement will be a comparable substitute for SOFR or the SOFR Index (each of which means that a Benchmark Transition Event could adversely affect the market value of, and return on, the Notes), (ii) any failure of the Benchmark Replacement to gain market acceptance could adversely affect the notes, (iii) the Benchmark Replacement may have a very limited history and the future performance of the Benchmark Replacement cannot be predicted based on historical performance, (iv) the secondary trading market for Notes linked to the Benchmark Replacement may be limited and (v) the administrator of the Benchmark Replacement may make changes that could change the value of the Benchmark Replacement or discontinue the Benchmark Replacement and has no obligation to consider your interests in doing so.

The interest rate on SOFR Notes is based on a Compounded SOFR rate and the SOFR Index, which is relatively new in the marketplace.

For each interest period, the interest rate on floating-rate notes linked to SOFR may be based on Compounded SOFR (as defined herein), which may be calculated using the SOFR Index published by the FRBNY according to the specific formula described under "Description of the Notes—SOFR Notes," rather than the SOFR rate published on or in respect of a particular date during such interest period or an arithmetic average of SOFR rates during such period. For this and other reasons, the interest rate on a note linked to the Compounded SOFR or the SOFR Index during any interest period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate, including, potentially, other notes based on a compounded SOFR rate. Further, if the interest rate is based on Compounded SOFR and the SOFR rate in respect of a particular date during an interest period is negative, its contribution to Compounded SOFR or the SOFR Index, as applicable, will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on notes linked to the Compounded SOFR on the interest payment date for such interest period.

The method for calculating an interest rate based upon SOFR can vary between different issuers and securities. In addition, the publication of SOFR began in April 2018 and the rate has a limited history. The future performance of SOFR may therefore be difficult to predict based on the limited historical performance. The level of SOFR during the term of the Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Compounded SOFR with respect to a particular interest period will only be capable of being determined near the end of the relevant interest period.

If the interest rate on your notes is based on Compounded SOFR or the SOFR Index, the level of Compounded SOFR applicable to a particular interest period and, therefore, the amount of interest payable with respect to such interest period, will be determined on the Interest Determination Date for such interest period. Because each such date will be near the end of such interest period, you will not know the amount of interest payable with respect to a particular interest period until shortly before the related interest payment date and it may be difficult for you to reliably estimate the amount of interest that will be payable on each such interest payment date. In addition, some investors may be unwilling or unable to trade notes linked to the Compounded SOFR or the SOFR Index without changes to their information technology systems, both of which could adversely impact the liquidity and trading price of notes linked to the Compounded SOFR or the SOFR Index.

The calculation agent will make determinations with respect to SOFR-linked notes.

The calculation agent will make certain determinations with respect to SOFR Notes as further described below under "Description of the Notes—SOFR Notes," In addition, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the calculation agent will make certain determinations with respect to SOFR Notes, as further described herein. Any determination, decision or election pursuant to the Benchmark Replacement provisions not made by the calculation agent will be made by us.

Any of these determinations may adversely affect the value of SOFR Notes, the return on SOFR Notes and the price at which you can sell such SOFR Notes. Moreover, certain determinations may require the exercise of discretion and the making of subjective judgments, such as with respect to SOFR or the SOFR Index or the occurrence or non-occurrence of a Benchmark Transition Event and any Benchmark Replacement Conforming Changes. These potentially subjective determinations may adversely affect the value of SOFR Notes, the return on SOFR Notes and the price at which you can sell such SOFR Notes.

Inverse Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as SOFR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes Issued at a Substantial Discount.

The market values of securities issued at a substantial discount from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Subordinated Notes are Junior Debt Obligations.

Any Subordinated Notes issued will be subordinate and junior in right of payment to all senior indebtedness as specified in the applicable Pricing Supplement, which will set forth the precise terms of such subordination. The Issuer will not make any payment of principal, premium, if any, or interest in respect of the Subordinated Notes unless all amounts then due on its senior indebtedness have been paid in full. There is no limit on the ability of the Issuer to issue or incur senior indebtedness. The Subordinated Notes are not secured, are not guaranteed by the Issuer or any affiliate of the Issuer and are not subject to any other arrangement that legally or economically enhances the ranking of the Subordinated Notes in relation to more senior claims.

Particular Tax Consequences of Holding Bearer Notes.

Any potential investor should consult its own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Bearer Notes in its particular circumstances. See "Certain Tax Legislation Affecting the Notes." Bearer Notes generally may not be offered or sold in the United States or to United States persons. Unless an exemption applies, a United States person holding a Bearer Note or coupon will not be entitled to deduct any loss on the Bearer Note or coupon and must treat as ordinary income any gain realized on the sale or other taxable disposition of the Bearer Note or coupon.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for the general banking and other corporate purposes of the Bank or as may otherwise be disclosed in the applicable Pricing Supplement.

SELECTED FINANCIAL INFORMATION

Historical Financial Information

The financial information in the tables below has been extracted or calculated without material adjustment from information contained within the audited consolidated statements of financial position and consolidated statements of income of the Bank as of and for the years ended December 31, 2024, 2023 and 2022 included in the Audited Consolidated Financial Statements.

Selected Consolidated Statements of Financial Position Data

	As of December 31,		
	2024	2023	2022
		(*in millions of Ch$*)	
Assets:			
Cash and deposits in banks	866,475	1,209,884	1,268,178
Transactions pending settlement	604,970	389,141	565,421
Financial assets held for trading at fair value through profit or loss			
Derivative instruments	6,153,446	5,694,324	6,813,293
Financial debt securities	618,883	193,820	419,339
Other	22,878	56,197	95,439
Financial assets at fair value through other comprehensive income			
Financial debt securities	1,889,506	2,188,905	2,360,643
Derivative instruments for accounting hedge	330,263	317,308	395,111
Financial assets at amortized cost			
Rights under resale agreements and securities lending agreements	262,360	226,394	216,976
Financial debt securities	25,767	1,387,601	-
Loans and advances to banks	1,564	25,223	66,830
Loans and accounts receivable from customers – Commercial loans	13,804,771	13,738,775	15,421,175
Loans and accounts receivable from customers – Mortgage loans	14,111,555	13,846,343	13,544,491
Loans and accounts receivable from customers – Consumer loans	4,038,882	3,814,689	3,606,586
Investments in companies	38,756	34,220	26,093
Intangible assets	255,606	255,425	240,400
Property and equipment	74,715	84,327	90,636
Right-of-use assets under lease contracts	145,143	159,569	174,082
Current tax assets	3,832	2,413	53,478
Deferred tax assets	403,213	360,658	330,907
Other assets	848,054	708,531	756,372
Non-current assets and disposal groups held for sale	20,735	19,734	15,175
Total assets	**44,521,374**	**44,713,481**	**46,460,625**
Liabilities:			
Transactions pending settlement	455,278	333,372	510,643
Financial liabilities held for trading at fair value through profit or loss			
Derivative instruments	5,214,340	4,606,750	6,213,012
Derivative instruments for accounting hedge	1,554,070	1,455,656	1,536,880
Financial liabilities at amortized cost			
Deposits and other on-demand liabilities	5,605,991	4,850,696	5,076,459
Term and other on-demand deposits	13,130,590	13,181,368	13,972,388
Liabilities under repurchase agreements and securities lending	501,243	163,647	205,943
Bank borrowings	2,455,157	5,368,647	5,342,212
Debt financial instruments issued	8,110,081	8,186,492	7,707,165
Other financial liabilities	199,572	156,392	120,225
Lease liabilities	138,208	149,308	160,376
Regulatory capital financial instruments issued	1,953,891	1,201,214	987,943
Provisions for contingencies	43,700	55,274	49,891
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	133,659	122,388	146,260
Special allowances for credit losses	192,337	193,134	191,256
Current taxes	2,567	63,222	1,724
Deferred tax liabilities	836	795	573
Other liabilities	982,513	1,050,148	1,050,357
Total liabilities	**40,674,033**	**41,138,503**	**43,273,307**
Equity:			
Capital	1,368,421	1,368,421	1,368,421
Reserves	381,405	381,405	381,405
Accumulated other comprehensive income			
Items that will not be reclassified to profit or loss	5,219	5,044	2,588
Items that can be reclassified to profit or loss	(76,074)	(41,189)	(142,226)
Retained earnings from previous years	1,722,476	1,436,903	1,095,630
Profit for the year	432,944	407,961	487,533
Less: Provisions for dividends, payment of interest and repricing of issued regulatory capital financial instruments	(132,784)	(122,388)	(146,260)
Attributable to the owners of the Bank	**3,701,607**	**3,436,157**	**3,047,091**
Non-controlling interest	145,734	138,821	140,227
Total equity	**3,847,341**	**3,574,978**	**3,187,318**
Total liabilities and equity	**44,521,374**	**44,713,481**	**46,460,625**

Consolidated Statements of Income Data

	For the Year Ended December 31,		
	2024	2023	2022
		(*in millions of Ch$*)	
Interest income	2,221,187	2,488,415	1,757,297
Interest expense	(1,314,189)	(1,637,454)	(1,111,306)
Net interest income	**906,998**	**850,961**	**645,991**
Indexation income	833,835	787,378	1,337,421
Indexation expenses	(428,773)	(417,263)	(846,233)
Net indexation income	**405,062**	**370,115**	**491,188**
Fee and commission income	320,474	295,236	289,578
Fee and commission expenses	(103,846)	(97,570)	(88,643)
Net fee and commission income	**216,628**	**197,666**	**200,935**
Net financial result for:			
Financial assets and liabilities held for trading	311,096	185,942	115,228
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-
Financial assets and liabilities designated at fair value through profit or loss	-	-	-
Gain or loss on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income	1,576	8,289	5,898
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	(220,036)	(89,832)	(60,778)
Reclassifications of financial assets due to change of business model	-	-	-
Other financial result	(1,891)	(2,918)	3,216
Net financial result	**90,745**	**101,481**	**63,564**
Equity in net income of investees	4,592	6,362	6,513
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	(1,315)	845	4,246
Other operating income	44,063	50,795	24,592
Total operating income	**1,666,773**	**1,578,225**	**1,437,029**
Expenses for employee benefit obligations	(311,865)	(307,418)	(274,477)
Administrative expenses	(260,799)	(241,090)	(230,526)
Depreciation and amortization	(72,716)	(66,914)	(60,583)
Impairment of non-financial assets	(339)	(264)	(584)
Other operating expenses	(32,601)	(49,436)	(34,682)
Total operating expenses	**(678,320)**	**(665,122)**	**(600,852)**
Operating income before credit losses	**988,453**	**913,103**	**836,177**
Credit loss expenses for:			
Allowances for credit losses on loans and advances to banks and loans and accounts receivable from customers	(518,433)	(493,988)	(382,709)
Special allowances for credit losses	2,254	(1,467)	13,120
Recovery of written-off loans	79,428	76,228	69,980
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	167	(2,699)	(51)
Credit loss expenses	**(436,584)**	**(421,926)**	**(299,660)**
Operating income	**551,869**	**491,177**	**536,517**
Income tax expense	(94,546)	(74,612)	(21,461)
Consolidated profit for the year	**457,323**	**416,565**	**515,056**
Attributable to:			
Owners of the Bank	432,944	407,961	487,533
Non-controlling interest	24,379	8,604	27,523

CONSOLIDATED RATIOS	Year Ended December 31, 2024	2023	2022
Profitability and performance:			
Net interest margin(1)	3.6%	3.3%	3.2%
Return on average total assets(2)	1.0%	0.9%	1.2%
Return on average equity(3)	11.9%	11.7%	16.2%
Capital:			
Average equity as a % of average total assets	7.9%	7.1%	6.2%
Regulatory capital as % of risk-weighted assets	17.3%	15.1%	13.5%
Credit quality:			
Past-due loans as a percentage of total loans(4)	2.4%	2.2%	1.4%
Allowance for credit losses as percentage of total loans and advances to customers(5)	2.3%	2.2%	1.8%
Operating ratios:			
Operating expenses as a % of operating income(6)	40.7%	42.1%	41.8%
Operating expenses as % of average total assets(7)	1.5%	1.5%	1.4%

(1) Net interest income as a percentage of monthly average interest-earning assets. Average interest-earning assets are determined on a monthly average basis for the corresponding 12-month period.

(2) Net income as a percentage of monthly average total assets. The amount of average total assets is calculated by Scotiabank Chile as follows: the averages of the initial balance and the final balance for each month of the year and for each account are averaged for a 12-month period and these average balances are added together for all accounts.

(3) Net income as a percentage of monthly average equity for the last 12 months.

(4) Past-due loans include the aggregate unpaid principal and accrued but unpaid interest on all loans with at least one installment over 90 days past-due. Total loans corresponds to loans at amortized cost.

(5) Allowances for credit losses as a percentage of total loans before allowances for credit losses.

(6) The efficiency ratio is equal to total operating expenses over operating income. Operating expenses includes personnel salaries and expenses, administrative expenses, depreciation and amortization, impairment and other operating expenses. Operating income includes net interest income, net indexation income, net fee and commission income, net income from financial operations (net trading income), foreign exchange gain, net and other operating income.

(7) Total operating expenses is the sum of personnel salaries and expenses, administrative expenses, depreciation and amortization, impairment and other operating expenses. Calculated as a percentage of monthly average of total assets.

DESCRIPTION OF THE BANK

Overview

The Bank is one of the leading universal banking groups in Chile. The Bank is the fifth largest bank in Chile (excluding assets from foreign subsidiaries) in terms of loans with a market share of 13.7% as of December 2024, based on data from the CMF. As of December 31, 2024, the Bank had total assets of Ch$44,521,374 million, loans and advances to customers, net of allowances for credit losses of Ch$31,955,208 million, total deposits of Ch$18,736,581 million and equity of Ch$3,847,341 million. The Bank has a prominent presence in all of the major business segments in Chile and offers a wide range of products and financial services to retail, SME and corporate customers in Chile. These products and services are provided through a broad network of branch offices across Chile and alternative distribution channels.

The Bank had approximately 3.3 million customers in Chile and a network comprising 98 branch offices, in each case, as of December 31, 2024.

Scotiabank Chile believes that its relationship with The Bank of Nova Scotia offers the Bank a significant competitive advantage over its peer Chilean banks. The Bank of Nova Scotia is a leading bank in Canada and a leading financial services provider in the Americas, with relevant international presence, including in the Pacific Alliance countries of Mexico, Peru, Chile and Colombia, as well as in the Caribbean and Central American regions.

The Bank's relationship with The Bank of Nova Scotia allows it to offer multinational banking solutions to customers and to profit from international business relations. The Bank also benefits operationally by accessing best practices in risk management and oversight developed in multiple geographies where Scotiabank maintains a presence. Additionally, the Bank benefits from information technology solutions and new products and services developed by The Bank of Nova Scotia.

In 2024, Scotiabank Chile received, among others, the "Chile's Best Bank" and "Best Digital Bank in Chile" awards by Euromoney, the "Safest Bank in Chile and Latin America" award by Global Finance.

Strategy

The Bank's strategy, which is aligned with the global strategy for the Bank of Nova Scotia Group that was published by The Bank of Nova Scotia in December 2023, is based on the following three main pillars:

- *Increase Primary Customer Relationships*: This means providing counsel to propose solutions and continually deliver an exceptional experience. To further deepen its customer relationships, the Bank will seek to balance value and volume, moving from relationships managed within a single line of business to multi-product relationships, which involves enhancing the value proposition across all channels.
- *Make it easier to do business with Scotiabank Chile*: The Bank will simplify and improve access to products and services and create a more efficient organization. It will simplify and digitalize processes, particularly common procedures and platforms to achieve uniformity and scale.
- *Win as one team*: The Bank will seek to eliminate silos and invest in its employees, culture and communities to be the employer and partner of choice and create an environment in which everyone can thrive.

Based on this strategy, Scotiabank Chile will aim to become its customers' main bank in all the commercial segments in which it operates.

The Bank's priority will be to maximize the benefits of scale it has achieved in Chile and strengthen the Bank's position in the segments and products that it believes will contribute the most to the Bank's profitability.

Within this framework, in the coming years the Bank will continue to serve people, SMEs and companies of different sizes in an inclusive manner but focusing on those to which it can provide more than one solution.

The Bank believes that it will have a strong foundation on which to advance in this strategy by applying the following priorities:

- The Bank will accelerate the growth of customer deposits with the goal of further improving its funding mix.

- It will continue to strengthen its digital capabilities with investments aimed at improving processes and generating new ways to reach customers and facilitate their relationship with the Bank. In order to become the customers' main bank, Scotiabank Chile believes it is essential to develop an "end-to-end" digital experience.

- Scotiabank Chile will be continuing to keep the Bank safe by a well-supported culture of control and risk management.

- Scotiabank Chile will deepen its focus on sustainable finance that today represents a way for a financial institution to differentiate itself.

- It will continue to grow the Bank's loan portfolio with a focus on a more profitable and sustainable mix of loans.

- The Bank will continue to develop its employees so that they are in the best position to support achieving the business objectives aligned with the above priorities.

History and Development of the Bank

The Bank was established in Chile in 1944 by a group of prominent local businesspersons. Following an initial acquisition of 25% of the Bank's shares in 1991, The Bank of Nova Scotia increased its ownership to 60% in 1999, and after the Merger with BBVA Chile and further investment in 2021, The Bank of Nova Scotia increased its holding to 83.03% of the shares in the Bank. In February 2022, The Bank of Nova Scotia reached an agreement with Inversiones Caburga Limitada, Inversiones del Pacífico, Inversiones Santa Virginia Limitada, Inversiones Corinto SpA, Inversiones Valparaiso SpA and Inversiones SH Seis Limitada (the "Said Group") to purchase the Said Group's 16.76% holding in the Bank for a combination of cash and common shares issued by The Bank of Nova Scotia. Following the completion of this transaction, in April 2022 after the related regulatory approvals were obtained, the ownership share of The Bank of Nova Scotia in the Bank reached 99.80%. The transaction was valued at approximately CAD 1,300 million. At closing, The Bank of Nova Scotia paid to the Said Group CAD 650 million in cash and issued 7 million common shares to the Said Group.

Following the completion of the transaction, the Said Group became a shareholder of The Bank of Nova Scotia, while at the same time maintained its representation in the Board of Directors of the Bank.

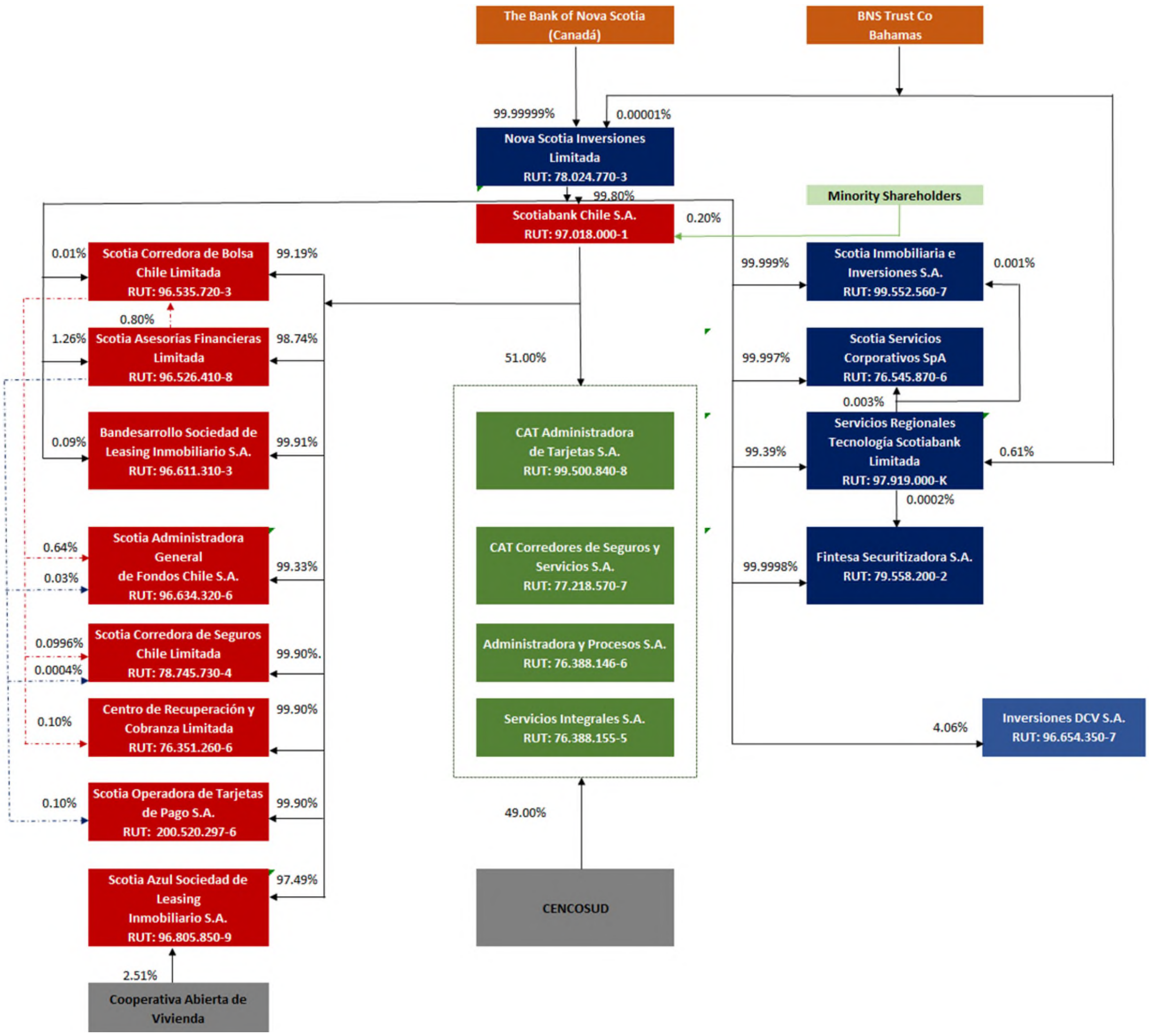
The Bank's loan portfolio has grown significantly in the recent years as a result of The Bank of Nova Scotia's strategic goal of gaining a relevant market share in the Pacific Alliance countries. In 2010, The Bank of Nova Scotia acquired the corporate and commercial banking operations of the Royal Bank of Scotland in Chile. In 2014, The Bank of Nova Scotia acquired a 51% stake in Cencosud Administradora de Tarjetas S.A. ("CAT") and Cencosud Corredores de Seguros y Servicios S.A., for the exclusive joint operation of Cencosud S.A.'s financial retail business in Chile. The acquisition was tied to a 15-year alliance that made Scotiabank Chile one of the largest credit card providers in Chile.

In March 2018, the SBIF authorized The Bank of Nova Scotia to indirectly acquire 68.19% of Banco Bilbao Vizcaya Argentaria, Chile, through Nova Scotia Inversiones Limitada, a Chilean company that is the direct parent of Scotiabank Chile for a total purchase price of approximately U.S.$2.0 billion. The Merger became effective as of September 1, 2018. This transaction was in line with the Bank's strategy of becoming an even more significant operator in the Chilean financial system. As a result of this acquisition, the Bank increased its market share in terms of total loans from 7.2% as of December 31, 2017 to 14.1% as of December 31, 2019, making it the third largest private bank in Chile in terms of market share of loans as of December 31, 2019. The transaction also increased the relevance and presence of The Bank of Nova Scotia, its indirect parent company and controlling shareholder, in the Asia-Pacific region, particularly in the countries that are members of the Pacific Alliance.

Organizational Structure

Scotiabank Chile is a banking corporation incorporated under the laws of Chile and the parent of a group of companies based in Chile. Scotiabank Chile is primarily involved in the brokerage of money and financial instruments, such as commercial paper and other credit instruments. As a consolidated financial services institution, Scotiabank Chile has subsidiaries that supplement its lines of business/operating segments, which operate under the New General Banking Law and are subject to the oversight and regulatory powers of the CMF and the Central Bank.

The chart below presents the principal subsidiaries that Scotiabank Chile owns, directly or indirectly, as of December 31, 2024:



The Bank's registered address is located at Avenida Costanera Sur No. 2710, Torre A, Las Condes, Santiago, Chile, postal code 7550692 and its website is www.scotiabankchile.cl.

Principal Activities

General

The Bank is a universal bank offering a wide selection of products and financial services to its customers, ranging from major corporations and financial institutions to low/medium income individuals. Products and services are provided through a broad network of branch offices across Chile and alternative distribution channels.

The Bank carries out its business activities through four main lines of business, each serving a different group of target customers: Retail Banking, Wholesale Banking, CAT that offers credit cards and consumer loans within the framework of the Bank's partnership with Cencosud S.A., and Treasury.

The table below shows the Bank's consolidated results by business segment for the year ended December 31, 2024 and the balances of assets and liabilities by business segment as of and December 31, 2024.

	As of and for the Year Ended December 31, 2024					
	Retail	**Wholesale**	**CAT**	**Treasury**	**Other**	**Total**
			(*in millions of nominal Ch$*)			
Net interest income	584,247	346,223	324,896	(348,597)	229	906,998
Other income	142,205	192,234	77,387	329,166	14,191	755,183
Equity in net income of investees	-	-	-	-	4,592	4,592
Total operating income	726,452	538,457	402,283	(19,431)	19,012	1,666,773
Operating expenses	(329,974)	(134,956)	(128,470)	(7,700)	(4,504)	(605,604)
Depreciation and amortization	(45,771)	(10,372)	(15,759)	(263)	(551)	(72,716)
Credit losses expense	(172,021)	(66,269)	(202,562)	-	4,268	(436,584)
Segment operating profit (loss)	**178,686**	**326,860**	**55,492**	**(27,394)**	**18,225**	**551,869**
Income tax expense	(36,220)	(76,805)	(12,409)	7,396	23,492	(94,546)
Profit/(loss) for the period	**142,466**	**250,055**	**43,083**	**(19,998)**	**41,717**	**457,323**
Spot Volumes						
Assets (loans)	18,982,914	11,155,792	1,785,128	-	31,374	31,955,208
Liabilities (core and term deposits)	6,943,352	5,877,879	-	5,915,350	-	18,736,581

A profile of each of these business segments is discussed below.

Retail Banking

The Retail Banking business segment serves personal banking and SME customers.

As part of the Retail Banking business segment, the personal banking segment targets individuals with monthly income of over U.S.$500. The main products offered under this segment include consumer loans, credit cards, and mortgage loans. Additionally, the Bank offers liability products such as current and checking accounts, time deposits, mutual funds and short-term investments. Lastly, the Bank also offers stock brokerage services, foreign currency exchange and insurance products as part of this segment.

The SME segment of the Retail Banking business segment targets corporates and individuals engaged in business activities with annual sales up to U.S.$4 million. For customers classified as SMEs, the Bank offers working capital financing, foreign trade loans, leasing and factoring. These customers can also access liability products such as current accounts and term deposits. In addition, the Bank provides the customers of this segment with a variety of financial services such as collection, salary payment administration, insurance and foreign currency exchange.

As of December 31, 2024, net loans for the Retail Banking business segment represented 59.4% of our total loans and accounted for 31.2% of our consolidated profit for the year ended December 31, 2024.

Wholesale Banking

The Wholesale Banking business segment targets enterprise customers with annual sales over U.S.$4 million and corporate customers with annual sales over U.S.$150 million. The main products offered under the Wholesale Banking business segment include working capital financing, foreign trade loans, leasing, factoring and structured finance (e.g., syndicated loans and project finance). Wholesale Banking customers may also use the liability products, such as domestic and foreign currency current accounts, term deposits and mutual funds offered by the business segment. Additionally, the Wholesale Banking business segment 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 variety of treasury products such as foreign currency exchange, derivative products, foreign currency or interest rate risk hedging and short-term investments.

As of December 31, 2024, net loans for the Wholesale Banking business segment represented 34.9% of our total loans and accounted for 54.7% of our consolidated profit for the year ended December 31, 2024.

CAT

As part of the CAT business segment, the Bank offers credit cards and consumer loans within the framework of the Bank's partnership with Cencosud S.A. As part of the partnership arrangement, the Bank acquired 51% of the shares of CAT and Cencosud Corredores de Seguros y Servicios S.A. for the exclusive joint operation of Cencosud S.A.'s financial retail business in Chile.

As of December 31, 2024, net loans for the CAT business segment represented 5.6% of our total loans and accounted for 9.4% of our consolidated profit for the year ended December 31, 2024.

Treasury

The Treasury business segment performs the global functions of interest rate risk management, structural exchange rate position, inflation position and liquidity risk management for the Bank. In addition to the management of the fair value through other comprehensive income investment portfolio, the Treasury business segment also manages the capital allocation for each business unit and the cost of financing. Revenues derived from the management of the Bank's investment portfolio and gains or losses from the management of interest rate and inflation risks are also allocated to the Treasury business segment.

For the year ended December 31, 2024, the Treasury business segment had a loss for the year of Ch$19,998 million.

Other

The Other business segment includes activities and related income and expenses that do not have a direct connection with the four primary business segments. For the year ended December 31, 2024, the Other business segment had profit for the period of Ch$41,717 million and accounted for 9.1% of our consolidated profit for the year ended December 31, 2024.

Products and Services

We offer the following products and services, among others, to our customers:

Checking Accounts and Other Deposit Products. We offer checking accounts denominated in Chilean pesos, U.S. dollars and euros. In Chile, checking accounts have historically provided the Bank with an important source of low-cost funding.

We offer our customers interest-bearing deposits, including term deposits and savings accounts. Term deposits are offered in Chilean pesos, UF, U.S. dollars and euros, bear interest at a fixed rate and have terms over seven days and typically up to one year. Savings accounts are generally denominated in UF and bear interest at a fixed rate.

Mortgage Loans. As of December 31, 2024, we had outstanding mortgage loans of Ch$14,158,759 million, representing 43.3% of our total loans as of the same date. Our residential mortgage loans are mostly denominated in UF, bear interest at a fixed rate (which is at a fixed spread above the mortgage finance bonds referred to below) and have maturities between five and 30 years.

Consumer Loans. As of December 31, 2024, we had outstanding consumer loans through lines of credit outstanding (including overdraft lines) of Ch$1,813,354 million, representing 5.5% of our consolidated loans as of the same date. Lines of credit are generally provided on a revolving basis up to an approved credit limit. Consumer loans are generally repayable in installments over terms of up to 36 months. Consumer loans include loans for purchases of automobiles, home furnishings and other durable consumer items.

Credit Cards. As December 31, 2024, we had Ch$2,563,176 million outstanding. This represented 7.8% of our total loans as of the same date. We have agreements with Visa International Inc. and MasterCard Inc. under which we issue Visa and MasterCard credit cards under the Scotiabank Chile brand. We earn interest revenue on outstanding credit card balances, transaction commissions from merchants, late fees on overdue payments and annual fees from cardholders. Interest on credit card balances is charged at variable nominal rates.

Other Products. In addition, we offer sales and trading products, market mutual funds, insurance products and other financial services offered through subsidiaries.

Branches and Other Offices and Access Points

As of December 31, 2024, we had the fifth largest infrastructure network of banks in Chile in terms of geographical coverage, with 98 branches and 163 branded ATMs located throughout the country. In addition, over 90% of our transactions were carried out through digital channels during the year ended December 31, 2024.

The table below shows the number of our branches and branded ATMs across Chile's regions at the date indicated.

	As of December 31,					
Region:	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
		Branches			*ATMs*	
Arica and Parinacota	1	1	1	2	2	2
Tarapacá	3	3	4	3	3	3
Antofagasta	4	4	4	7	5	5
Atacama	1	1	1	4	4	4
Coquimbo	4	3	3	7	5	5
Valparaíso	13	13	12	37	25	24
Metropolitana de Santiago	53	50	43	90	83	72
Bernardo O'Higgins	4	4	4	6	6	6
Maule	5	5	5	11	5	5
BíoBío	9	9	9	25	20	20
Ñuble	1	1	1	2	2	2
Araucanía	4	4	4	10	7	7
Los Ríos	1	1	1	2	1	1
Los Lagos	4	4	4	10	4	4
Aysen	1	1	1	2	2	2
Magallanes	1	1	1	1	1	1
Total	**109**	**105**	98	**219**	**175**	163

Competition

The Chilean financial services market consists of a variety of largely distinct sectors. The most important sector, commercial banking, includes a number of privately-owned banks and one public sector bank, Banco del Estado de Chile (which operates within the same legal and regulatory framework as the private sector banks). The private-sector banks include local banks and a number of foreign-owned banks operating in Chile. As of the date of this Offering Circular, the Chilean banking system is comprised of 17 banks, including one public-sector bank. The five largest banks accounted for 76.5% of all outstanding loans by Chilean financial institutions as of December 31, 2024 (excluding assets held abroad by Chilean banks).

The Chilean banking system has experienced increased competition in recent years, largely due to consolidation in the industry and new legislation. The Bank also faces competition from non-bank competitors, principally insurance companies, *cooperativas* and *cajas de compensación* (private, non-profitable corporations whose aim is to administer social welfare benefits, including payroll loans, to their members) and non-finance competitors, principally department stores, auto-lenders and larger supermarket chains, with respect to some of the Bank's credit products, such as credit cards, consumer loans and insurance brokerage. In addition, the Bank faces competition from non-bank finance competitors, such as leasing, factoring and automobile finance companies, with respect to credit products, and mutual funds, pension funds and insurance companies with respect to savings products.

Employees

As of December 31, 2024, on a consolidated basis, the Bank had 7,156 employees. Of the total number of employees, approximately 53% were unionized as of December 31, 2024. The Bank generally applies the terms of its collective bargaining agreements to unionized and non-unionized employees. The Bank maintains good relations with its employees and the trade unions and has not experienced any recent industrial relations issues or strikes.

Legal and Administrative Proceedings

As a result of conducting its business in the ordinary course, the Bank is a party to legal and administrative proceedings, including proceedings in which it is acting as plaintiff seeking to recover unpaid debts owed by defaulting borrowers and other customers, or as respondent in other cases. Save as disclosed in this Offering Circular, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), which may have or have had in the 12 months preceding the date of this Offering Circular a significant effect on the financial position of the Bank.

Bank Ratings

As of the date of this Offering Circular, the Bank has been assigned foreign ratings by Standard & Poor's and Fitch as set forth in the following table.

Standard & Poor's		Fitch	
Short	**Long**	**Short**	**Long**
Not Rated	A(1)	F1+(2)	A+(2)

(1) Stable outlook as of the date of this Offering Circular. October 10, 2024, S&P revised its outlook on Chile to stable from negative and, as a result, revised its outlook on Scotiabank Chile also to negative from stable. See also "Risk Factors—Risk Factors in Respect of the Bank and the Issuer—Credit, market and liquidity risk may have an adverse effect on the Issuer's credit ratings and the Issuer's cost of funds. Any downgrade in the credit rating of Chile, the Issuer itself or the Issuer's controlling shareholder would likely increase the Issuer's cost of funding, require the Issuer to post additional collateral or take other actions under some of the Issuer's derivative contracts and adversely affect the Issuer's interest margins and results of operations."

(2) Stable outlook as of the date of this Offering Circular.

The ratings set forth above are accurate only as of the date of this Offering Circular and are subject to change at any time. A rating only reflects the views of the relevant rating agency and is not a recommendation to buy, sell or hold any securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Environmental, Social and Governance

The Bank is aware that climate change is affecting natural systems and communities around the world, and the Bank is committed to reducing its impact on the environment. In this context, during 2022, through Scotia Administradora General de Fondos, the Bank subscribed to the UN Principles for Responsible Investment, which are aimed at helping the Bank to further deepen the thorough evaluation of environmental, social and corporate governance factors when making investment decisions. Additionally, Scotiabank Chile will contribute to the broader target of the Scotiabank Group (i.e., The Bank of Nova Scotia and its subsidiaries) to by 2030 allocate CAD 350 billion on a Scotiabank Group level to reduce the impacts of climate change. Through its Climate Change Center of Excellence that aims to mobilize internal and external collaboration and coordinate discussion and information exchange related to climate change, Scotiabank Chile has been supporting its customers, leading the local Chilean market with 35 ESG bond issuances since 2018.

In 2023, the Bank issued its first green bond in the international market through a private placement in Japan for JPY 5 billion.

On a community and social investment level, the Bank's efforts are focused on further developing the ScotiaRISE program, which aims to strengthen economic resilience in the communities where the Bank operates, understanding this concept as the capacity of individuals, families, businesses and communities to thrive in a variety of circumstances and actively participate in local economies. During 2024, through a platform of competitive funds, a total of Ch$333 million was allocated by the Bank to eight social projects, bringing the number of social projects that the Bank has been involved with to a total of 34 projects that have benefited more than 80,000 people in different locations throughout Chile. Scotiabank Chile has also defined itself as an organization that values every voice, so diversity, equity, inclusion and respect are part of its culture. The Bank's Diversity, Equity and Inclusion Policy, formalized in 2018 and updated in 2021, defines four pillars of work in these areas: gender equity, multiculturalism, LGBT+ community and disability.

As of December 31, 2024, 52% of Scotiabank Chile employees were female and 23% of senior management positions were held by women. In 2024, the Bank continued the deployment of the Scotiabank Women's Initiative in Chile, a global program created to enhance the professional and financial development of women entrepreneurs and executives, helping these customers to break down the barriers that limit their growth and increasing opportunities to reach their greatest potential both today and in the future. The Women's Initiative began in Canada and Chile is the first country in the Pacific Alliance where it is being implemented.

In addition, in what the Bank believes is the first time in the banking industry in Chile, Scotiabank Chile reduced its workweek to 39 hours in May 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with the Audited Consolidated Financial Statements, including the accompanying notes to the Audited Consolidated Financial Statements. This section contains forward-looking statements that involve inherent risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. See "Presentation of Financial Information," "Caution Regarding Forward-Looking Statements" and "Risk Factors."

Overview

The Bank is one of the leading universal banking groups in Chile. The Bank is the fifth largest bank in Chile (excluding assets from foreign subsidiaries) in terms of loans with a market share of 13.7% as of December 2024, based on data from the CMF. As of December 31, 2024, the Bank had total assets of Ch$44,521,374 million, loans and advances to customers, net of allowances for credit losses of Ch$31,995,208 million, total deposits of Ch$18,736,581 million and equity of Ch$3,847,341 million. The Bank has a prominent presence in all of the major business segments in Chile and offers a wide range of products and financial services to retail, SME and corporate customers in Chile. These products and services are provided through a broad network of branch offices across Chile and alternative distribution channels.

Key Factors Affecting Results of Operations

The discussion below describes certain key factors that have affected, and may continue to affect, the Bank's business, results of operations and financial condition. In particular, the Bank can give no assurance as to the effects of the general economic and market conditions in the countries in which the Bank operates, changes in trade policies globally, including the introduction of protectionist initiatives such as new or higher tariffs, or international geopolitical events on the Bank's business, results of operation, financial condition or prospects. The impact of these and other factors may vary in the future.

Chilean Economy and Banking Sector

The Bank's results of operations are affected by general economic conditions in Chile where substantially all of the Bank's operations and its customers are located. Generally, macroeconomic factors, such as GDP growth, unemployment rates, inflation rates, interest rates and currency fluctuations, have an impact, in particular, on the following:

- Corporate and household customers' investment and business activities, which lead to credit decisions and drive the need for external funding and, as a result, impact growth in lending volumes.
- Changes in monetary policies, in particular with respect to interest rate levels, which have an effect on the net interest margin of the Bank.
- Credit losses and loan impairments, which generally, though with some delay, correlate with macroeconomic developments.
- Downgrades or upgrades in internal credit ratings of customers due to deterioration or improvement in their credit quality, which impact the Bank's capital levels and, indirectly, its ability to increase lending volumes. See "Risk Management—Credit Risk—Credit Risk Management."

In 2022, the Chilean economy grew by 2.4%. The growth rate was lower than in the previous year due to the slowing down of the Chilean economy, especially in the second half of 2022. This slowdown was driven by the normalization of several temporary factors, including (i) the decrease in fiscal spending following the withdrawal of coronavirus-related non-permanent subsidies, (ii) the tightening of monetary policy, and (iii) the impact of higher inflation on household disposable income and private consumption.

In 2023, the Chilean economy grew 0.2%. The low growth rate reflected the continuation of the adjustment process after the macroeconomic imbalances that followed the coronavirus crisis and the related extraordinary fiscal and monetary support measures implemented during the pandemic and subsequently terminated.

In 2024, the Chilean economy grew 2.6%, largely driven by a surge in exports, especially in the mining sector. In addition, the domestic consumption in Chile recovered as households increased their spending, complemented by government efforts to stimulate the economy. The services sector also made a significant contribution to the growth, with notable increases in tourism and financial services supporting the broader expansion.

The following table sets forth annualized real GDP growth on a quarterly basis and quarterly inflation rates and average real monetary policy rate in Chile for the last three years.

	2022					2023					2024				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year
Real GDP Growth	7.50%	5.20%	0.20%	(2.30)%	2.40%	0.3%	(0.4)%	0.6%	0.4%	0.2%	3.3%	1.2%	2.0%	4.0%	2.6%
Inflation Rate	3.40%	3.60%	3.50%	1.80%	12.80%	1.80%	0.2%	0.90%	0.5%	3.4%	1.6%	0.7%	1.10%	1.0%	4.5%
Average Monetary Policy Rate	5.12%	7.98%	9.92%	11.19%	8.57%	11.25%	11.25%	10.34%	9.05%	10.47%	7.59%	6.26%	5.67%	5.25%	6.20%

Source: Central Bank, Chilean National Institute of Statistics, IMF.

The growth of the Chilean banking sector has historically evolved in line with overall economic growth.

In 2022, total loans within the Chilean financial system amounted to Ch$222,246,207 million, excluding loans held by subsidiaries and branches of Chilean banks abroad, representing an increase of 8.8% compared to 2021. Total customer deposits reached Ch$163,681,465 million, which represented a 4.6% increase compared to 2021. The ratio of past-due loans (defined as loans with an installment that is at least 90 days past-due) of total loans reached 1.7%, primarily reflecting a normalization trend following the withdrawal of coronavirus related stimulus in 2022.

In 2023, total loans within the Chilean financial system reached Ch$229,556,446 million, excluding loans held by subsidiaries and branches of Chilean banks abroad, representing an increase of 3.3% compared to 2022. Total customer deposits amounted to Ch$166,355,608 million, which represented a 1.6% increase compared to 2022. The past-due loans ratio increased to 2.1%, primarily reflecting a normalization trend in the Chilean economy following the withdrawal of coronavirus related stimulus in 2023. The challenging economic environment driven by higher inflation and interest rates negatively affected the payment behavior of customers in 2023.

In 2024, total loans within the Chilean financial system amounted to Ch$238,058,339 million, excluding loans held by subsidiaries and branches of Chilean banks abroad, representing an increase of 3.7% compared to 2023. Total customer deposits amounted to Ch$175,389,500 million, which represented a 5.4% increase compared to 2023. The past-due loans ratio increased to 2.4%, following the trend that started in 2022, with the challenging economic environment driven by persistent inflation and high interest rates affecting the payment behavior of customers adversely in 2024.

Inflation

Chile has experienced high levels of inflation in the past, which have affected the Bank's financial condition and results of operations as some loans, investments, deposits and bonds, among other products, are contracted in UF. The UF is an inflation-indexed Chilean monetary unit with a value in Chilean pesos that changes daily to reflect changes in the CPI for the previous month. High levels of inflation in Chile could adversely affect the Chilean economy and, as a result, have an adverse effect on the Bank's business, financial condition and results of operations.

The annual headline and core inflation rates increased to 12.8% and 10.7%, respectively, in 2022 reflecting the lagging effect of the increased private consumption 2021 and the commodity price shocks triggered by Russia's invasion of Ukraine in 2022. The continued high inflation rates resulted in a challenging scenario for economic growth, with more restrictive financing conditions, a difficult labor market and depletion of household liquidity, all factors that affect private consumption.

In 2023, the annual headline and core inflation rates decreased to 3.9% and 5.4%, respectively, following the long period of high rates. Inflation measured as the annual variation of the UF was 4.8% in 2023, compared to 13.3% in 2022.

In 2024, the annual headline rates increased to 4.5% but the core inflation rate decreased to 4.3%. The higher-than-expected increase in the annual headline rate volatility was explained by the increase in energy prices and stickier than expected prices in the services sector. Inflation measured as the annual variation of the UF was 4.4% in 2024, which cause a lower internal demand that affected the economic growth of 2024.

The annual base for calculating the CPI and the goods and services that comprise the CPI basket is updated every five years. The most recent update took place in January 2019, whereby the National Statistics Institute (*Instituto Nacional de Estadísticas*) amended the annual base to 2018 and made minor adjustments to the list of goods and services comprising the CPI basket to take into account prevailing digital trends.

The Bank's results of operations reflect the effect of inflation mainly in the following ways:

- a substantial portion of the Bank's assets and liabilities are denominated in UF. A net increase or decrease in the nominal peso value of the Bank's UF-denominated assets and liabilities is reflected as income or loss in our income statement, and
- the rates of interest earned and paid on peso-denominated assets and liabilities reflect to a certain degree inflation and expectations regarding inflation.

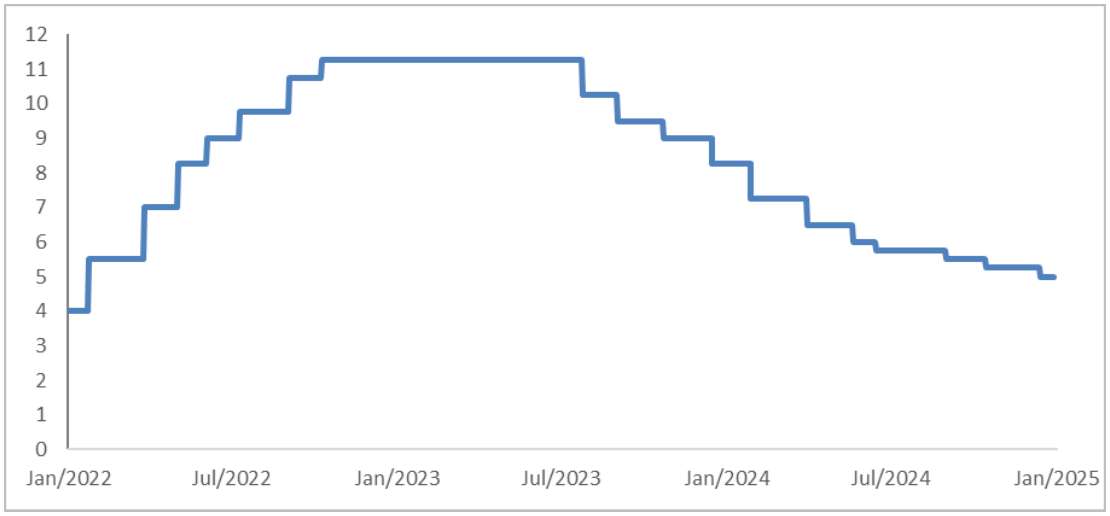
UF-denominated Assets and Liabilities. The UF is revalued in monthly cycles. On every day within the period beginning on the tenth day of the current month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) to reflect that day's pro rata amount of the prior calendar month's change in the CPI. One UF was equal to Ch$38,416.69, Ch$36,789.36 and Ch$35,110.98 and as of December 31, 2024, 2023 and 2022, respectively. The effect of any changes in the nominal peso value of the Bank's UF-denominated assets and liabilities is reflected in its results of operations as income (or a loss, in the event of deflation) in net interest and indexation revenue. See "Note 31 – Indexation income and expenses" to our Audited Consolidated Financial Statements. The Bank's net interest and indexation revenue is positively affected by an inflationary environment to the extent that UF-denominated assets exceed UF-denominated liabilities. The Bank's net interest and indexation revenue is negatively affected by inflation in any period in which UF-denominated liabilities exceed UF-denominated assets. The Bank's UF-denominated average assets exceeded its UF-denominated average liabilities by Ch$10,164 billion, Ch$9,561 billion and Ch$9,168 billion during the years ended December 31, 2024, 2023 and 2022, respectively. See "Selected Statistical Information."

Peso-denominated Assets and Liabilities. Rates of interest prevailing in Chile during any period reflect, in significant part, the rate of inflation during the period and expectations of future inflation. The responsiveness to such prevailing rates on our peso-denominated interest-earning assets and interest bearing liabilities varies. See also "—Interest Rates" below. The Bank maintains a substantial amount of non-interest bearing peso- denominated demand deposits. The ratio of such deposits to average interest-bearing liabilities was 11.3%, 8.5% and 12.5% during the years ended December 31, 2024, 2023 and 2022, respectively. Because such deposits are not sensitive to inflation any decline in the rate of inflation adversely affects our net interest margin on assets funded with such deposits and any increase in the rate of inflation increases the net interest margin on such assets.

Interest Rates

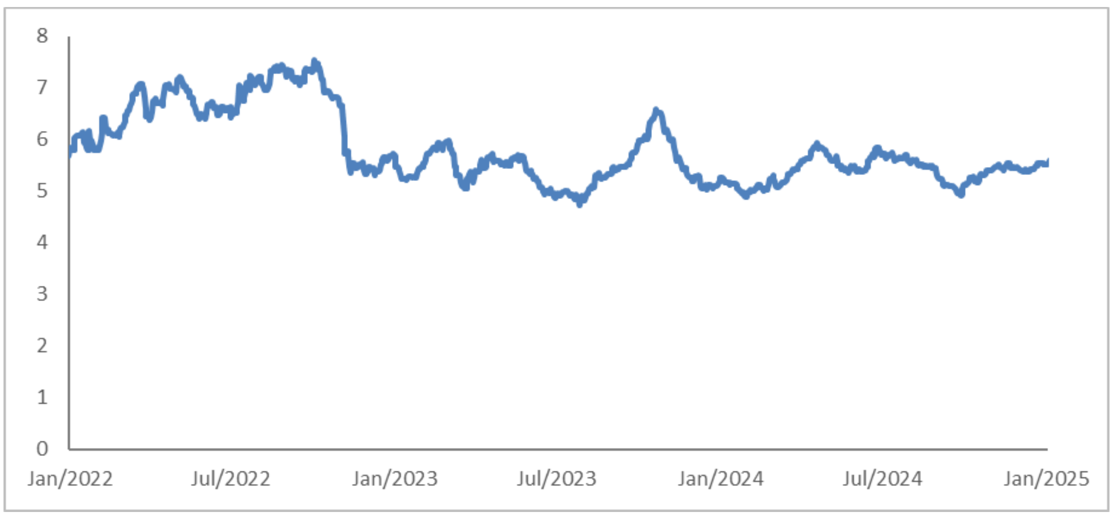
Interest rates earned and paid on the Bank's assets and liabilities reflect, to a certain degree, inflation, expectations regarding inflation, changes in short-term interest rates set by the Central Bank and movements in long-term real rates. The following graphs set forth trends in representative short- and long-term Chilean interest rates from January 1, 2022 to December 31, 2024 (short-term interest rates are represented by the interbank interest rate and long-term interest rates are represented by the rate for five-year Central Bank peso bonds).

Monetary Policy Rate
(annual rate, in %)



Source: Central Bank

Five-year Central Bank Ch$ bonds
(annual rate, in %)



Source: Riskamerica

In the beginning of the coronavirus pandemic, authorities in Chile introduced various measures to support the local economies, including significant reductions in benchmark interest rates. As the restrictions introduced following the coronavirus outbreak were eased and the global and local economies commenced recovering, inflation surged, prompting the Central Bank to withdraw fiscal stimuli and increase interest rates.

In 2022, the Central Bank continued with its interest rate normalization agenda with a 1.50% increase in March 2022, after which the monetary policy rate reached 7.0%. The Central Bank continued increasing the monetary policy rate in May 2022 and the rate reached 8.25% that month, 9.0% in June 2022, 9.75% in July 2022, 10.75% in September 2022 and 11.25% in October 2022. In 2023, the Central Bank commenced lowering its monetary policy rates, first in July with 100 basis points to 10.25%, followed by a decrease in September 2023 to 9.5%, to 9.0% in October 2023 and to 8.25% in December 2023. In 2024, the Central Bank continued with interest rate cuts, with the monetary policy rate reaching 7.25% in February 2024, 6.50% in April, and 6.0% in May. After the monetary policy rate reached 5.75% in June 2024, the Central Bank paused the rate cuts until September 2024, when the rate was decreased twice, first to 5.50% then again to 5.25%. In December 2024, the rate was decreased again, to 5.00%. As of the date of this Offering Circular, the monetary policy rate is 5.00%.

As is typical for banks, the Bank's liabilities are generally re-priced sooner than its assets, and changes in the rate of inflation or short-term rates in the economy are reflected in the rates of interest paid by the Bank on its liabilities before such changes are reflected in the rates of interest earned by the Bank on its assets. As a result, when short-term interest rates fall, the Bank's net interest margin is typically positively impacted. Conversely, when short-term rates increase, the net interest margin of the Bank is negatively affected. At the same time, net interest margin tends to be adversely affected in the short term by a decrease in inflation rates since the Bank's UF-denominated assets normally exceed its UF-denominated liabilities. Since the Bank's interest-earning assets generally have longer terms than its interest-bearing liabilities, an increase in long-term rates has a positive effect on the Bank's net interest margin. In addition, because the peso-denominated liabilities of the Bank have relatively short re-pricing periods, they are generally more responsive to changes in inflation or short-term rates than UF-denominated liabilities. See also "—Chilean Economy and Banking System" above.

Foreign Exchange Rates

A portion of our assets and liabilities is denominated in foreign currencies, principally in U.S. dollars, and we historically have maintained gaps between the balances of such assets and liabilities. As of December 31, 2024, 2023 and 2022, the gaps between our average foreign currency-denominated assets and our average foreign currency-denominated liabilities (where the liabilities exceeded such assets) were Ch$2,611,570 million, Ch$2,185,365 million and Ch$1,820,743 million, respectively. Since such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains (losses) realized upon the sale of such assets, are translated to Chilean pesos in preparing our financial statements, our reported income is affected by changes in the value of the Chilean peso with respect to foreign currencies. See "Exchange Rates" and "—Financial Condition—Asset and Liability Management—Exchange Rate Sensitivity" below. The bank enters into derivative financial instruments to reduce our exposure to exchange rates volatility.

Critical Accounting Policies

In preparing our consolidated financial statements, we use estimates and assumptions to account for certain assets, liabilities, revenues, expenses and other transactions. The consolidated financial statements include various estimates and assumptions, including but not limited to the adequacy of allowances for credit losses, estimates of the fair value of certain financial instruments, the selection of useful lives of certain assets and the valuation and recoverability of deferred tax assets. We evaluate these estimates and judgments on an ongoing basis. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results in future periods could differ from those estimates and assumptions, and if these differences were significant enough, our reported results of operations would be affected materially.

Note 2 to the 2024 Audited Consolidated Financial Statements contains a summary of our material accounting policies. We believe that the following policies involve the most critical judgments by management or the highest degree of complexity that currently affect our financial condition and results of operations.

Financial Assets

Financial assets are classified and valued as follows:

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 under the caption "Net financial results" in the consolidated statements of income.

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: (i) 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 (ii) 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 income" and "Indexation income" in the consolidated statements of income.

Financial derivative contracts and financial derivative contracts for accounting hedge: financial derivatives that include foreign currency, UF, interest rate forwards, currency and interest rate swaps, currency and interest rate options and other derivatives are initially recognized in the consolidated statements of financial position at their trading value (cost) and subsequently measured at fair value. Fair value is obtained from market quotes, discounted cash flow models and measurement models for options, as appropriate. Financial derivatives are stated as an asset when their fair value is positive and as a liability when it is negative and included under the caption "Derivative instruments."

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their characteristics and risk are not closely related to those of the host contract and not measured at fair value with the related unrealized gains or losses included in profit or loss. As of December 31, 2024, December 31, 2023, and December 31, 2022, the Bank recorded no separable embedded derivatives.

Financial derivative contracts are classified as derivative instruments for trading and are included 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 "Net financial result for Financial assets and liabilities held for trading" in the 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.

Financial assets at amortized cost: A financial asset is measured at amortized cost if it meets both of the following conditions: (i) it is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and (ii) 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 of December 31, 2024, 73.9% of our investment securities portfolio were classified as financial debt securities at fair value through other comprehensive income, 25.1% were classified as financial debt securities held for trading at fair value through profit or loss, and 1% were classified as financial debt securities at amortized cost.

As of December 31, 2024, impairment losses related to the assets included in the Bank's financial debt investments portfolio were Ch$2,736 million.

Allowances for Credit Losses

The Bank has established allowances for potential credit losses from loans and advances to customers, in accordance with the instructions issued by the CMF and its credit losses rating and evaluation models approved by the Board of Directors. In order to determine its provision for credit losses, the Bank uses models or methodologies based on the individual and collective analyses of debtors to make provisions for loans and receivables from customers, which are defined below.

Allowances for Loans by Individual Assessment. The individual analysis of debtors is applied to customers, natural persons or legal entities which, due to their size, complexity or exposure level, must be known comprehensively, requiring the assignment of a credit rating for each debtor. All customers from the Corporate, Real Estate, Large Companies and Wholesale segment portfolios will be considered as individually evaluated commercial portfolios. Debtors other than the aforementioned segments with annual sales equal to or greater than MCh$1,000 or with trade debts equal to or greater than MCh$500 will also be considered. In addition, all debtors with cross-border transactions among their receivables 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 Portfolio, Substandard Portfolio, and Default Portfolio, based on the provisions of the Compendium. Based on the debtor rating, the Bank assigns probability of default and loss on default percentages, which result in the expected loss percentage:

The Normal Portfolio includes those debtors whose creditworthiness allows them to fulfill their obligations and commitments and this condition, according to the assessment of their economic- financial position, is not perceived to change. Therefore, it corresponds to debtors without substantial risk, whose creditworthiness allows them to cover obligations under the terms and conditions agreed and which will continue being satisfactory in dealing with unfavorable business, economic and financial situations. The credit risk categories comprised by this portfolio, with its corresponding level of required allowances, are the following:

Type of Portfolio	**Debtor's Category**	**Probability of Default (%)**	**Loss Given Default (%)**	**Expected Loss (% allowance)**
Normal Portfolio	A1	0.04	90.00	0.03600
	A2	0.10	82.50	0.08250
	A3	0.25	87.50	0.21875
	A4	2.00	87.50	1.75000
	A5	4.75	90.00	4.27500
	A6	10.00	90.00	9.00000

The Substandard Portfolio includes those debtors with financial difficulties or significant worsening in their creditworthiness and over which there are reasonable doubts about the total reimbursement of principal and interests in the terms contractually agreed, evidencing reduced capacity to fulfill their financial obligations in the short term. This portfolio also includes those debtors, which in the last 12 months have shown delinquencies or a poor payment performance with the Bank or with third parties for a period of 30 to 90 days for significant amounts outstanding.

The risk categories and required allowances under each of them are the following:

Type of Portfolio	Debtor's Category	Probability of Default (%)	Loss Given Default (%)	Expected Loss (%)
Substandard Portfolio	B1	15.00	92.50	13.87500
	B2	22.00	92.50	20.35000
	B3	33.00	97.50	32.17500
	B4	45.00	97.50	43.87500

The Default Portfolio includes those debtors with a deteriorated or non-existent creditworthiness, those likely to be declared in bankruptcy, those requiring a mandatory debt breach of their financial obligations and those with loans overdue for more than 90 days or which are under collection procedures and whose repayment is secured by a guarantee or collateral. The risk categories and allowances required under this portfolio are:

Type of Portfolio	Classification	Estimated Range of Loss	Allowance
Default Portfolio	C1	Up to 3%	2%
	C2	More than 3% and up to 20%	10%
	C3	More than 20% and up to 30%	25%
	C4	More than 30% and up to 50%	40%
	C5	More than 50% and up to 80%	65%
	C6	More than 80%	90%

Provisions for loans associated with collective assessment: A collective assessment is used to analyze a high number of uniform transactions whose individual amounts are low. The Bank uses a model for commercial exposures under MCh$500 to determine an allowance based on the concept of expected loss of a credit.

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

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

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 with immediate payment, loans for higher education under Law No. 20,027 ("CAE"), letters of credit for transactions involving the movement of goods, 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, allowances for potential losses are accrued and recorded under the caption "Expense for credit losses" as an "Expense in special allowances for credit losses" in the 2024 Audited Consolidated Financial Statements.

To estimate allowances for contingent loans, as indicated in Chapter B-1 and Chapter B-3 of the Compendium, the amount of the exposure to be considered must be equivalent to the following percentages of contingent loans:

Type of contingent loan	Exposure
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 contingent loans are conducted with customers with loans in default, as stated in Chapter B-1 of the Compendium, the exposure will always be equivalent to 100% of their contingent loans.

Impairment

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

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

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

- Stage 1: Where there has not been a significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12 months' expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the remaining term to maturity.

- Stage 2: When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, it is included in this stage. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3: Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowances for credit losses capture the lifetime expected credit losses.

The Bank has a model that allows characterizing the risk profile of a customer and 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 of the Bank.

Impairment losses on financial assets at fair value through other comprehensive income are recognized under the caption "Impairment due to credit risk of financial assets at fair value with changes in other comprehensive income" in the 2024 Audited Consolidated Financial Statements. Impairment losses on debt financial instruments at amortized cost and rights under resale agreements and securities lending agreements are recognized under the caption "Impairment due to credit risk of other financial assets at amortized cost" in the 2024 Audited Consolidated Financial Statements.

Current and Deferred Income Taxes

Income tax expense is determined in accordance with IAS 12 "Income Taxes" and the Income Tax Law. Income tax expense comprises current tax and deferred taxes.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the consolidated statements of financial position, and any adjustment to income tax payable in respect of previous years.

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

Deferred tax expense is recognized except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. A deferred tax asset is recognized only to the extent it is probable that future taxable profits will be available against which the temporary difference can be offset.

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 offset. Deferred tax assets are reviewed at each date of the consolidated statements of financial position and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

Provisions and Contingent Liabilities

Provisions are liabilities of uncertain timing or amount. These provisions are recognized in the consolidated statements of financial position when the following requirements are met in a copulative manner: (i) as a result of a past event, the Bank has a present legal or constructive obligation; (ii) it is probable that at the reporting date the Bank or its subsidiaries require an outflow of economic benefits to settle the obligation; and (iii) the amount of such resources can be estimated reliably.

A contingent liability or asset 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 their related risk 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 obligations covered, which are as follows:

- 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 and additional allowances for loans, among others). Provisions for contingencies (including additional provisions).

Adoption of New Accounting Standards

On January 8, 2024, the CMF through the Exempt Resolution N°368, which became effective beginning September 1, 2024, established the minimum information to be included in the policies for regular transactions and regulated the public disclosure of transactions with related parties.

On March 6, 2024, the CMF through Circular N°2,346, with effect starting January 2025, implemented a standardized methodology to compute expected credit losses for consumer loans with matrices for PDD and LGD based on certain risk drivers. Based on the information available as of the date of this Offering Circular, the adoption of this new methodology is expected to have an adverse impact of Ch$172,104 million on the operating income of the Bank. To address this impact, the Bank is assessing the use of additional allowances prepared for these purposes, among other actions. The Bank cannot be certain that future changes, especially in provisioning rules or related definitions, will not materially and adversely affect the Bank's results of operations and financial condition. See "Note 3 – New accounting pronouncements issued and adopted, or issued but not yet adopted" to the 2024 Audited Consolidated Financial Statements for more detailed information.

Results of Operations

Results of Operations on a Consolidated Basis for the Years Ended December 31, 2024 and 2023

The below discussion of results of operations of the Bank for the years ended December 31, 2024 and 2023. For a presentation of the components of the Bank's consolidated statement of income, see "Selected Financial Information."

Net Interest and Indexation Income

In 2024, net interest and indexation income of the Bank increased by Ch$90,984 million, or 7.5%, to Ch$1,312,060 million from Ch$1,221,076 million in 2023. Total net interest income increased by Ch$56,037 million, or 6.6%, and total net indexation income increased by Ch$34,947 million, or 9.4%, in 2024 compared to 2023. The overall increase in net interest and indexation income was primarily attributable to the impact of lower interest expenses on term deposits, which primarily reflected the lower interest rate levels in 2024 compared to 2023. For information on the Bank's total loans and loans by type as of December 31, 2024 and 2023, see "Selected Statistical Information—Loan Portfolio."

Net Fee and Commission Income

The following table sets forth the components of the Bank's net fee and commission income for the years ended December 31, 2024 and 2023.

	For the Year Ended December 31,		
	2024	Change[(1)]	2023
	(*in millions of nominal Ch$, except percentages*)		
Fee and commission income			
Commissions due to credits prepayment	5,097	28.7%	3,959
Commissions due to loans with letters of credit	1,423	(9.8)%	1,578
Commissions due to credit lines and overdrafts in checking accounts	1,348	18.7%	1,136
Commissions due to guarantees and letters of credit	17,618	12.1%	15,719
Credit card transactions commissions	97,270	0.2%	97,085
Commissions due to accounts management	22,432	0.8%	22,259
Commissions due to collections and payments	66,721	19.6%	55,794
Commissions due to brokerage and securities handling (stock brokers and/or securities agency)	1,815	3.7%	1,750
Remuneration for administration of mutual funds, investment funds or others	17,760	29.4%	13,728
Insurance related to the granting of credits to natural persons	38,945	10.0%	35,408
Insurance not related to the granting of credits to natural persons	14,516	4.2%	13,933
Insurance related to the granting of credits to legal entities	1,943	(4.0)%	2,023
Insurance not related to the granting of credits to legal entities	376	(13.2)%	433
Commissions due to services on factoring operations	63	(3.1)%	65
Commissions due to services in financial lease operations	1,250	21.8%	1,026
Commissions due to deposit and custody of securities	7	0.0%	7
Commissions due to financial advice	10,169	12.4%	9,051
Other commissions earned	21,721	7.1%	20,282
Total fee and commission income	**320,474**	8.5%	**295,236**
Fee and commission expenses			
Commissions for card operations	(42,453)	(7.6)%	(45,953)
Fees for licensing the use of card brands	(2,020)	54.6%	(1,307)
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	(28,137)	28.2%	(21,956)
Securities trading commissions	(4,945)	11.8%	(4,424)
Other commissions for services received	(26,291)	9.9%	(23,930)
Total fee and commission expense	**(103,846)**	6.4%	**(97,570)**
Net fee and commission income	**216,628**	**9.6%**	**197,666**

(1) Indicates percentage change from the year ended December 31, 2024 to December 31, 2023.

In 2024, net fee and commission income of the Bank increased by Ch$18,962 million, or 9.6%, to Ch$216,628 million from Ch$197,666 million in 2023. The increase was primarily attributable to an increase of 19.6% in fee commissions due to collections and payments, mainly driven by an increased focus on cash management initiatives. In addition, an increase of 10.0% in commissions from insurance related to the granting of credits and an increase of 12.1% in commissions due to guarantees and letters of credit contributed to the overall increase in net fee and commission income in 2024.

Net Financial Result

In 2024, net financial result for the Bank was Ch$90,745 million, a decrease of Ch$10,736 million, or 10.6%, compared to net financial results of Ch$101,481 million in 2023. The decrease was primarily attributable to the high income from foreign currency sales and trading in 2023, with the income from financial assets and liabilities held for trading and foreign currency translation differences, indexation and accounting hedge of foreign currencies in 2024 representing a return to a more normal level.

Other Operating Income

In 2024, equity in net income of investees of the Bank was Ch$4,592 million, a decrease of Ch$1,770 million compared to equity in net income of Ch$6,362 million in 2023. This decrease was primarily attributable to lower profits generated by entities that the bank co-owns with other financial institutions, which decrease reflected slower economic activity in Chile in 2024 compared to 2023.

In 2024, loss from non-current assets and disposal groups not qualifying as discontinued operations of the Bank were Ch$1,315 million compared to gains of Ch$845 million in 2023. This change was driven by an increase in 2024 of the provisions for adjustments to the net realizable value of assets received in payment or legally adjudicated through auctions and write-offs of assets received in payment.

In 2024, other operating income of the Bank decreased by Ch$6,732 million, or 13.3%, to Ch$44,063 million compared to Ch$50,795 million in 2023. The decrease was primarily attributable to lower income from customers' tax payment service and lower default recoveries, in each case in 2024 compared to 2023.

Total Operating Expenses

The following table sets forth the components of the Bank's operating expenses for the years ended December 31, 2024 and 2023.

	For the Year Ended December 31,		
	2024	**Change[(1)]**	**2023**
	(*in millions of nominal Ch$, except percentages*)		
Operating expenses			
Expenses for employee benefit obligations	(311,865)	1.4%	(307,418)
Administrative expenses	(260,799)	8.2%	(241,090)
Depreciation and amortization	(72,716)	8.7%	(66,914)
Impairment of non-financial assets	(339)	28.4%	(264)
Other operating expenses	(32,601)	(34.1)%	(49,436)
Total operating expenses	**(678,320)**	**2.0%**	**(665,122)**

(1) Indicates percentage change from the year ended December 31, 2023 to December 31, 2024.

Expenses for Employee Benefit Obligations

In 2024, expenses for employee benefit obligations of the Bank increased by Ch$4,447 million, or 1.4%, to Ch$311,865 million from Ch$307,418 million in 2023. The increase was primarily attributable to salary adjustments in CAT.

Administrative Expenses

In 2024, administrative expenses of the Bank increased by Ch$19,709 million, or 8.2%, to Ch$260,799 million from Ch$241,090 million in 2023. The increase was primarily attributable to higher costs for technological services and marketing.

Depreciation and Amortization

Depreciation and amortization expense of the Bank increased in 2024 by Ch$5,802 million, or 8.7%, to Ch$72,716 million from Ch$66,914 million in 2023. This increase was mainly due to a higher depreciation of intangible assets, primarily software and computer programs.

Impairment of Non-Financial Assets

In 2024, impairment expenses of the Bank totaled Ch$339 million, an increase of Ch$75 million, or 28.4%, compared to impairment expenses of Ch$264 million in 2023. This increase primarily reflected higher impairment of intangible assets in 2024 compared to 2023.

Other Operating Expenses

In 2024, other operating expenses of the Bank decreased by Ch$16,835 million, or 34.1%, to Ch$32,601 million from Ch$49,436 million in 2023. The decrease was primarily attributable to less expenses related to the efficiency initiatives implemented across the Bank of Nova Scotia Group compared to 2023.

Credit Loss Expenses

The following table sets forth the components of the Bank's operating expenses for the years ended December 31, 2024 and 2023.

	For the Year Ended December 31,		
	2024	**Change[(1)]**	**2023**
	(*in millions of nominal Ch$, except percentages*)		
Credit loss expenses			
Allowances for credit losses on loans and advances to banks and loans and accounts receivable from customers	(518,433)	4.9%	(493,988)
Special allowances for credit losses	2,254	(253.6)%	(1,467)
Recovery of written-off loans	79,428	4.2%	76,228
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	167	(106.2)%	(2,699)
Total credit loss expenses	**(436,584)**	**3.5%**	**(421,926)**

(1) Indicates percentage change from the year ended December 31, 2023 to December 31, 2024.

Allowances for Credit Losses on Loans and Advances to Banks and Loans and Accounts Receivable from Customers

In 2024, allowances for credit losses on loans and advances to banks and accounts receivable from customers of the Bank increased by Ch$24,445 million, or 4.9%, to Ch$518,433 million from Ch$493,988 million in 2023. The increase was primarily attributable to an increase in expected losses, reflecting higher non-performing loan ratios. This reflected the challenging economic environment in 2024 that was driven by persistent inflation and higher than expected interest rates that affected the payment behavior of customers adversely in 2024.

Special Allowances for Credit Losses

In 2024, release of special allowances for credit losses were Ch$2,254 million compared to expenses on special allowances for credit losses of Ch$1,467 million in 2023.

Recovery of Written-Off Loans

In 2024, recovery of written-off loans totaled Ch$79,428 million, an increase of Ch$3,200 million, or 4.2%, from Ch$76,228 million in 2023. The increase was primarily attributable to higher recoveries in the consumer loan portfolio.

Impairment for Credit Risk on Other Financial Assets at Amortized Cost and Financial Assets at Fair Value

In 2024, impairment for credit risk on other financial assets at amortized cost and financial assets at fair value of the Bank totaled positive Ch$167 million, an increase of Ch$2,866 million compared to negative Ch$2,699 million 2023, primarily driven by impairment related to debt financial instruments. The Bank had debt financial instruments classified as financial assets at amortized cost of Ch$25,767 million as of December 31, 2024 compared to Ch$1,387,601 million as of December 31, 2023. For more information on credit losses expense, see "Note 41 – Credit loss expense" to the 2023 Audited Consolidated Financial Statements and "Risk Management—Credit Risk—Credit Risk Management—Past-Due Loans."

Income Taxes

In 2024, income taxes of the Bank increased by Ch$19,934 million, or 26.7%, to Ch$94,546 million from Ch$74,612 million in 2023. The increase was primarily attributable to, on one hand, the better result of the CAT business segment in 2024 and, on the other, the impact of the difference in inflation, which led to a lower equity readjustment. The effective income tax rate was 17.1% in 2024 compared to an effective income tax rate of 15.2% in 2023.

Results of Operations on a Consolidated Basis for the Years Ended December 31, 2023 and 2022

The below discussion of results of operations of the Bank for the years ended December 31, 2023 and 2022. For a presentation of the components of the Bank's consolidated income statement, see "Selected Financial Information."

Net Interest and Indexation Income

In 2023, net interest and indexation income of the Bank increased by Ch$83,897 million, or 7.4%, to Ch$1,221,076 million from Ch$1,137,179 million in 2022. Total net interest income increased by Ch$204,970 million, or 31.7%, and total net indexation income decreased by Ch$121,073 million, or 24.6%, in 2023 compared to 2022. The overall increase in interest and indexation income was primarily attributable to the impact of higher interest rates and average volumes in 2023, in particular for consumer and commercial loans and, to a lesser extent, mortgage loans. For information on the Bank's total loans and loans by type as of December 31, 2023 and 2022, see "Selected Statistical Information—Loan Portfolio." The overall increase in net interest and indexation income was partially offset by lower readjustment in mortgage loans due to the lower inflation, together with increased interest expenses on term and on-demand deposits as well as on bank borrowings, in each case in 2023 compared to 2022.

Net Fee and Commission Income

The following table sets forth the components of the Bank's net fee and commission income for the years ended December 31, 2023 and 2022.

	For the Year Ended December 31,		
	2023	Change(1)	2022
	(*in millions of nominal Ch$, except percentages*)		
Fee and commission income			
Commissions due to credits prepayment	3,959	56.6%	2,528
Commissions due to loans with letters of credit	1,578	(7.7)%	1,710
Commissions due to credit lines and overdrafts in checking accounts	1,136	(13.0)%	1,306
Commissions due to guarantees and letters of credit	15,719	21.3%	12,954
Credit card transactions commissions	97,085	3.1%	94,133
Commissions due to accounts management	22,259	9.5%	20,333
Commissions due to collections and payments	55,794	7.5%	51,919
Commissions due to brokerage and securities handling	1,750	0.8%	1,736
Remuneration for administration of mutual funds, investment funds or others	13,728	(4.2)%	14,324
Insurance related to the granting of credits	35,408	1.3%	34,959
Insurance not related to the granting of credits	13,933	19.3%	11,676
Insurance related to the granting of credits to legal entities	2,023	220.6%	631
Insurance not related to the granting of credits to legal entities	433	(23.0)%	562
Commissions due to services on factoring operations	65	(28.6)%	91
Commissions due to services in financial lease operations	1,026	(13.6)%	1,188
Commissions due to deposit and custody of securities	7	(53.3)%	15
Commissions due to financial advice	9,051	(44.4)%	16,274
Other commissions earned	20,282	(12.7)%	23,239
Total fee and commission income	**295,236**	2.0%	**289,578**
Fee and commission expenses			
Commissions for card operations	(45,953)	6.1%	(43,308)
Fees for licensing the use of card brands	(1,307)	35.2%	(967)
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	(21,956)	15.2%	(19,061)
Securities trading commissions	(4,424)	17.5%	(3,765)
Other commissions for services received	(23,930)	11.1%	(21,542)
Total fee and commission expense	**(97,570)**	10.1%	**(88,643)**
Net fee and commission income	**197,666**	(1.6)%	**200,935**

(1) Indicates percentage change from the year ended December 31, 2022 to December 31, 2023.

In 2023, net fee and commission income of the Bank decreased by Ch$3,269 million, or 1.6%, to Ch$197,666 million from Ch$200,935 million in 2022. The decrease was primarily attributable to lower corporate financial advisory fees and higher expenses due to obligations on loyalty programs and merits for cardholders, partially offset by increases in commissions due to guarantees and letters of credit, credit card transactions commissions and commissions due to collections and payments.

Net Financial Result

In 2023, net financial result for the Bank was Ch$101,481 million, an increase of Ch$37,917 million, or 59.7%, compared to net financial results of Ch$63,564 million in 2022. The increase was primarily attributable to higher income from financial assets and liabilities held for trading.

Other Operating Income

In 2023, equity in net income of investees of the Bank was Ch$6,362 million, a decrease of Ch$151 million compared to equity in net income of Ch$6,513 million in 2022. This decrease reflected lower profits, driven by slower economic activity in 2023, generated by entities that the bank co-owns with other financial institutions.

In 2023, gains from non-current assets and disposal groups not qualifying as discontinued operations of the Bank were Ch$845 million, a decrease of Ch$3,401 million, or 80.1%, compared to Ch$4,246 million in 2022. This decrease was driven by lower sales of fixed assets in 2023 compared to 2022.

In 2023, other operating income of the Bank increased by Ch$26,203 million, or 106.6%, to Ch$50,795 million compared to Ch$24,592 million in 2022. The increase was primarily attributable to higher compensation received as part of the Cencosud Administradora de Tarjetas business partnership.

Total Operating Expenses

The following table sets forth the components of the Bank's operating expenses for the years ended December 31, 2023 and 2022.

	For the Year Ended December 31,		
	2023	**Change(1)**	**2022**
	(*in millions of nominal Ch$, except percentages*)		
Operating expenses			
Expenses for employee benefit obligations	(307,418)	12.0%	(274,477)
Administrative expenses	(241,090)	4.6%	(230,526)
Depreciation and amortization	(66,914)	10.5%	(60,583)
Impairment of non-financial assets	(264)	(54.8)%	(584)
Other operating expenses	(49,436)	42.5%	(34,682)
Total operating expenses	**(665,122)**	10.7%	**(600,852)**

(1) Indicates percentage change from the year ended December 31, 2022 to December 31, 2023.

Expenses for Employee Benefit Obligations

In 2023, expenses for employee benefit obligations of the Bank increased by Ch$32,941 million, or 12.0%, to Ch$307,418 million from Ch$274,477 million in 2022. The increase was primarily attributable to salary adjustments due to inflation and, reflecting the efficiency initiatives implemented across the Bank of Nova Scotia Group, higher lay-off costs compared to the same period in 2022.

Administrative Expenses

In 2023, administrative expenses of the Bank increased by Ch$10,564 million, or 4.6%, to Ch$241,090 million from Ch$230,526 million in 2022. The increase was primarily attributable to higher consulting fees and higher costs for outsourced collection services.

Depreciation and Amortization

Depreciation and amortization expense of the Bank increased in 2023 by Ch$6,331 million, or 10.5%, to Ch$66,914 million from Ch$60,583 million in 2022. This increase was mainly due to a higher depreciation of intangible assets, primarily software and computer programs.

Impairment of Non-Financial Assets

In 2023, impairment expenses of the Bank totaled Ch$264 million, a decrease of Ch$320 million, or 54.8%, compared to impairment expenses of Ch$584 million 2022. This decrease primarily reflected lower impairment of property and equipment in 2023 compared to 2022.

Other Operating Expenses

In 2023, other operating expenses of the Bank increased by Ch$14,754 million, or 42.5%, to Ch$49,436 million from Ch$34,682 million in 2022. The increase was primarily attributable to other expenses attributable to subsidiaries, reflecting the efficiency initiatives implemented across the Bank of Nova Scotia Group.

Credit Loss Expenses

The following table sets forth the components of the Bank's operating expenses for the years ended December 31, 2023 and 2022.

	For the Year Ended December 31,		
	2023	**Change[1]**	**2022**
	(*in millions of nominal Ch$, except percentages*)		
Credit loss expenses			
Allowances for credit losses on loans and advances to banks and loans and accounts receivable from customers	(493,988)	29.1%	(382,709)
Special allowances for credit losses	(1,467)	(111.2)%	13,120
Recovery of written-off loans	76,228	8.9%	69,980
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value	(2,699)	5,192.2%	(51)
Total credit loss expenses	**(421,926)**	40.8%	**(299,660)**

(1) Indicates percentage change from the year ended December 31, 2022 to December 31, 2023.

Allowances for Credit Losses on Loans and Advances to Banks and Loans and Accounts Receivable from Customers

In 2023, allowances for credit losses on loans and advances to banks and accounts receivable from customers of the Bank increased by Ch$111,279 million, or 29.1%, to Ch$493,988 million from Ch$382,709 million in 2022. The increase was primarily attributable to an increase in expected losses as non-performing loan ratios were progressively returning to pre-pandemic levels. In addition, the higher inflation and interest rates in 2023 negatively affected the payment behavior of certain customer groups.

Special Allowances for Credit Losses

In 2023, special allowances for credit losses were Ch$1,467 million compared to a release of special allowances for credit losses of Ch$13,120 million in 2022. The change was primarily attributable to the growth in expected losses discussed above.

Recovery of Written-Off Loans

In 2023, recovery of written-off loans totaled Ch$76,228 million, an increase of Ch$6,248 million, or 8.9%, from Ch$69,980 million in 2022. The increase was primarily attributable to higher recoveries in the consumer loan portfolio.

Impairment for Credit Risk on Other Financial Assets at Amortized Cost and Financial Assets at Fair Value

In 2023, impairment for credit risk on other financial assets at amortized cost and financial assets at fair value of the Bank totaled Ch$2,699 million, an increase of Ch$2,648 million compared to Ch$51 million 2022, primarily driven by impairment related to debt financial instruments classified as financial assets at amortized cost. The Bank had debt financial instruments of Ch$1,387,601 million as of December 31, 2023 compared to no debt financial instruments as of December 31, 2022. For more information on credit losses expense, see "Note 41 – Credit loss expense" to the 2023 Audited Consolidated Financial Statements and "Risk Management—Credit Risk—Credit Risk Management—Past-Due Loans."

Income Taxes

In 2023, income taxes of the Bank increased by Ch$53,151 million, or 247.7%, to Ch$74,612 million from Ch$21,461 million in 2022. The increase was primarily attributable to higher results in the CAT business segment and the impact of lower inflation in equity readjustment. The effective income tax rate was 15.2% in 2023 compared to an effective income tax rate of 4.0% in 2022.

Financial Position Information on a Consolidated Basis as of December 31, 2024, 2023 and 2022

The following table sets forth the principal items of the consolidated statements of financial position as of December 31, 2024, 2023 and 2022.

	As of December 31,				
	2024	Change(1)	2023	Change(2)	2022
	(in millions of nominal Ch$, except percentages)				
Assets:					
Cash and deposits in banks	866,475	(28.4)%	1,209,884	(4.6)%	1,268,178
Transactions pending settlement	604,970	55.5%	389,141	(31.2)%	565,421
Financial assets held for trading at fair value through profit or loss					
Derivative instruments	6,153,446	8.1%	5,694,324	(16.4)%	6,813,293
Financial debt securities	618,883	219.3%	193,820	(53.8)%	419,339
Other	22,878	(59.3)%	56,197	(41.1)%	95,439
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at fair value through other comprehensive income					
Financial debt securities	1,889,506	(13.7)%	2,188,905	(7.3)%	2,360,643
Other	-		-		-
Derivative instruments for accounting hedge	330,263	4.1%	317,308	(19.7)%	395,111
Financial assets at amortized cost					
Rights under resale agreements and securities lending agreements	262,360	15.9%	226,394	4.3%	216,976
Financial debt securities	25,767	(98.1)%	1,387,601	-	-
Loans and advances to banks	1,564	(93.8)%	25,223	(62.3)%	66,830
Loans and accounts receivable from customers – Commercial loans	13,804,771	0.5%	13,738,775	(10.9)%	15,421,175
Loans and accounts receivable from customers – Mortgage loans	14,111,555	1.9%	13,846,343	2.2%	13,544,491
Loans and accounts receivable from customers – Consumer loans	4,038,882	5.9%	3,814,689	5.8%	3,606,586
Investments in companies	38,756	13.3%	34,220	31.1%	26,093
Intangible assets	255,606	0.1%	255,425	6.3%	240,400
Property and equipment	74,715	(11.4)%	84,327	(7.0)%	90,636
Right-of-use assets under lease contracts	145,143	(9.0)%	159,569	(8.3)%	174,082
Current taxes	3,832	58.8%	2,413	(95.5)%	53,478
Deferred tax assets	403,213	11.8%	360,658	9.0%	330,907
Other assets	848,054	19.7%	708,531	(6.3)%	756,372
Non-current assets and disposal groups held for sale	20,735	5.1%	19,734	30.0%	15,175
Total assets	**44,521,374**	**(0.4)%**	**44,713,481**	**(3.8)%**	**46,460,625**
Liabilities:					
Transactions pending settlement	455,278	36.6%	333,372	(34.7)%	510,643
Financial liabilities held for trading at fair value through profit or loss					
Derivative instruments	5,214,340	13.2%	4,606,750	(25.9)%	6,213,012
Other	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-
Derivative instruments for accounting hedge	1,554,070	6.8%	1,455,656	(5.3)%	1,536,880
Financial liabilities at amortized cost					
Deposits and other on-demand liabilities	5,605,991	15.6%	4,850,696	(4.4)%	5,076,459
Term and on-demand deposits	13,130,590	(0.4)%	13,181,368	(5.7)%	13,972,388
Liabilities under repurchase agreements and securities lending	501,243	206.3%	163,647	(20.5)%	205,943
Bank borrowings	2,455,157	(54.3)%	5,368,647	0.5%	5,342,212
Debt financial instruments issued	8,110,081	(0.9)%	8,186,492	6.2%	7,707,165
Other financial liabilities	199,572	27.6%	156,392	30.1%	120,225
Lease liabilities	138,208	(7.4)%	149,308	(6.9)%	160,376
Regulatory capital financial instruments issued	1,953,891	62.7%	1,201,214	21.6%	987,943
Provisions for contingencies	43,700	(20.9)%	55,274	10.8%	49,891
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	133,659	9.2%	122,388	(16.3)%	146,260
Special allowances for credit losses	192,337	(0.4)%	193,134	1.0%	191,256
Current taxes	2,567	(95.9)%	63,222	3567.2%	1,724
Deferred tax liabilities	836	5.2%	795	38.7%	573
Other liabilities	982,513	(6.4)%	1,050,148	0.0%	1,050,357
Liabilities included in disposal groups held for sale	-		-	-	-
Total liabilities	40,674,033	(1.1)%	**41,138,503**	(4.9)%	**43,273,307**
Equity:					
Capital	1,368,421	0.0%	1,368,421	0.0%	1,368,421
Reserves	381,405	0.0%	381,405	0.0%	381,405
Accumulated other comprehensive income					
Items that will not be reclassified to profit or loss	5,219	3.5%	5,044	94.9%	2,588
Items that can be reclassified to profit or loss	(76,074)	84.7%	(41,189)	(71.0)%	(142,226)
Retained earnings from previous years	1,722,476	19.9%	1,436,903	31.1%	1,095,630
Profit for the year	432,944	6.1%	407,961	(16.3)%	487,533
Less: Provisions for dividends, payment of interest and repricing of issued regulatory capital financial instruments	(132,784)	8.5%	(122,388)	(16.3)%	(146,260)
Attributable to the owners of the Bank	**3,701,607**	**7.7%**	**3,436,157**	**12.8%**	**3,047,091**
Non-controlling interests	145,734	5.0%	138,821	(1.0)%	140,227
Total equity	3,847,341	7.6%	3,574,978	12.2%	3,187,318
Total liabilities and equity	**44,521,374**	**(0.4)%**	**44,713,481**	(3.8)%	**43,273,307**

(1) Indicates percentage change from December 31, 2023 to December 31, 2024.
(2) Indicates percentage change from December 31, 2022 to December 31, 2023.

Total Assets

As of December 31, 2024, the total assets of the Bank were Ch$44,521,374 million, a decrease of Ch$192,107 million, or 0.4%, compared to December 31, 2023. The decrease was primarily attributable to a decrease of Ch$1,361,834 million in financial debt securities, driven by the expiration of the Central Bank's Conditional Credit Facility for Incremental Banking Placements program (*Facilidad de Financiamiento Condicional al Incremento de las Colocaciones*) facility ("FCIC"). The overall decrease in total assets was partially offset by a higher volume in 2024 of mortgage loans, which increased by 1.9%, and of consumer loans, which increased by 5.9%. Derivative instruments, including those held for trading and for accounting hedge, increased Ch$472,077 million, or 7.9%, due to higher customer activity as the volatility in financial markets increased in 2024.

As of December 31, 2023, the total assets of the Bank were Ch$44,713,481 million, a decrease of Ch$1,747,144 million, or 3.8%, compared to December 31, 2022. The decrease was primarily attributable to a decrease of Ch$1,682,400 million in loans and advances to customers, specifically commercial loans that were affected by higher rates. Mortgage loans increased by 2.2% and consumer loans increased by 5.8% in 2023. Derivative instruments, including those held for trading and for accounting hedge, decreased Ch$1,196,772 million, or 16.6%, due to lower customer activity as the volatility in financial markets stabilized in 2023. Financial debt securities at fair value through other comprehensive income decreased by Ch$171,738 million, or 7.3%, as the Bank liquidity cushion to prepare for the maturing in 2024 of the FCIC was partially replaced with financial debt securities at amortized cost with the Central Bank's liquidity deposit that is exclusively oriented to guarantee and operationally support the payment of the FCIC.

Total Liabilities

As of December 31, 2024, the total liabilities of the Bank were Ch$40,674,033 million, a decrease of Ch$464,470 million, or 1.1%, compared to December 31, 2023. The decrease was mainly attributable to a decrease in bank borrowings of Ch$2,913,490 million, or 54.3%, resulting of the maturity of the FCIC. This was partially offset by an increase of Ch$755,295 million, or 15.6%, in deposits and other on-demand liabilities, primarily reflecting the results of the new strategic focus on customers with whom the Bank has a multi-product relationship, and an increase of Ch$752,677 million, or 62.7%, in regulatory capital financial instruments reflecting the issuance by the Bank in December 2024 of US$700,000,000 perpetual unsecured permanent write-down non-cumulative Additional Tier 1 (AT1) capital notes. Term and on demand deposits decreased by Ch$50,778 million, or 0.4%, for a total of Ch$13,130,590 million.

As of December 31, 2023, the total liabilities of the Bank were Ch$41,138,503 million, a decrease of Ch$2,134,804 million, or 4.9%, compared to December 31, 2022. The decrease was mainly attributable to a decrease in derivative instruments for accounting hedge of Ch$1,606,262 million, or 25.9%, reflecting the lower volatility in financial markets in 2023. A decrease of Ch$791,020 million, or 5.7%, in term and other on-demand liabilities, primarily reflecting the lower funding need due to the decrease in assets, contributed to the overall decrease in total liabilities. An increase of Ch$479,327 million, or 6.2%, in debt financial instruments issued, primarily driven by the financing of the growth in the mortgage portfolio.

Total Equity

As of December 31, 2024, the total equity of the Bank was Ch$3,847,341 million, an increase of Ch$272,363 million, or 7.6%, compared to December 31, 2023. The increase in total equity in 2024 was mainly attributable to retained earnings from previous years, which increased Ch$285,573 million, or 19.9% in 2024.

As of December 31, 2023, the total equity of the Bank was Ch$3,574,978 million, an increase of Ch$387,660 million, or 12.2%, compared to December 31, 2022. The increase in total equity in 2023 was mainly attributable to value adjustments of cash flow accounting hedge derivatives of Ch$94,661 million and in fair value changes of financial assets at fair value through other comprehensive income of Ch$44,127 million.

Liquidity, Capital Resources and Capital

Overview

The Bank views liquidity risk as the risk that the Bank will encounter difficulty in meeting contractual obligations in a timely manner. See "Risk Management—Liquidity Risk." The Bank is exposed to liquidity risk in its lending, investment, funding, off-balance sheet exposures and other activities which may result in a negative cash flow mismatch. As part of its liquidity risk management, the Bank strives, among other things, to diversify its sources of funding. The Bank's liquidity depends upon its capital, reserves and financial investments, including investments in government securities. To cover any liquidity shortfalls and to augment the Bank's liquidity position, the Bank has established lines of credit with foreign and domestic banks and also have access to Central Bank borrowings.

Sources of Funding

As a financial institution, the Bank's principal obligations and future commitments to make payments under contracts derive from its sources of funding. The Bank's sources of funding consist primarily of deposits and other on-demand liabilities, transactions pending settlement, repurchase agreements and securities lending, term and on-demand deposits, derivative instruments, bank borrowings and debt issued instruments. The Bank uses these sources of funding, as well as other sources of liquidity, to fund its commercial, consumer and mortgage loans portfolio. The Bank also issues letters of credit (mortgage finance bonds), which are UF-denominated general unsecured obligations with payment terms matched to the related mortgage loans, bearing interest at a spread below the interest rate applicable to such mortgage loans.

As of December 31, 2024, 2023 and 2022, 0.5%, 0.6% and 0.7%, respectively, of the Bank's residential mortgage loans were funded through letters of credit (mortgage finance bonds). Letters of credit (mortgage finance bonds) are traditionally placed with institutions that seek long-term fixed-income investments, such as pension funds, mutual funds and insurance companies. As of December 31, 2024, 2023 and 2022, the Bank had Ch$76,339 million, Ch$88,293 million and Ch$100,235 million, respectively, of letters of credit (mortgage finance bonds) outstanding.

In addition, the Bank has also issued ordinary and subordinated bonds in the Chilean and international markets. As of December 31, 2024, the Bank had Ch$8,033,742 million of ordinary (senior) bonds and Ch$1,257,573 million of subordinated bonds, compared to Ch$8,098,199 million of ordinary (senior) bonds and Ch$1,201,214 million of subordinated bonds as of December 31, 2023 and Ch$7,606,930 million of ordinary (senior) bonds and Ch$987,943 million of subordinated bonds as of December 31, 2022. These bonds are mostly denominated in UF and they accrue a fixed rate of interest based on a spread over the interest rate offered on Central Bank securities of a similar duration.

As of December 31, 2024, the Bank's main funding sources, measured as percentage of total liabilities, consisted of 13.8% of deposits and other on demand liabilities, 32.3% of term and other on-demand deposits, 24.7% of debt financial instruments issued and regulatory capital financial instruments and 6.0% of bank borrowings, with the balance made up primarily of other liabilities.

The following table sets forth the Bank's deposits as of December 31, 2024, 2023 and 2022.

	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Deposits and other on-demand liabilities			
Checking accounts	4,362,568	3,872,151	3,965,561
Other[(1)]	1,243,423	978,545	1,110,898
Subtotal	5,605,991	4,850,696	5,076,459
Term and other on-demand deposits			
Term deposits	13,031,191	13,080,930	13,866,230
Term saving accounts	99,399	100,438	106,158
Subtotal	13,130,590	13,181,368	13,972,388
Total deposits	18,736,581	**18,032,064**	**19,048,847**

(1) Includes the following: notes on demand, on-demand deposits, funded payment cards, deposits in court, performance bonds payable on demand, collections payable, payments to be made related to financial instruments, export returns pending settlement, payment orders outstanding, extraordinary repayments of letters of credit, payments for loans pending settlement, locked in balances (Art. 156 of the New General Banking Law), overdue term deposits, overdue bond and letter of credit coupons, other mortgage holders, loans granted (Law No. 20,027) and other on-demand liabilities.

The following table sets forth the Bank's obligations under debt instruments issued as of December 31, 2024, 2023 and 2022.

	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Letters of credit	76,339	88,293	100,235
Current bonds	8,033,742	8,098,199	7,606,930
Subordinated bonds	1,257,573	1,201,214	987,943
Bonds with no fixed term of maturity	696,318	-	-
Debt securities issued	10,063,972	**9,387,706**	**8,695,108**

The following table sets forth the Bank's repurchase agreements and securities loans as of December 31, 2024, 2023 and 2022.

	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Transactions with banks: Repurchase agreements – Banco Central de Chile	-	-	-
Transactions with other entities:			
Repurchase agreements	500,109	163,647	203,337
Securities lending obligations	1,134	-	2,606
Total	**501,243**	**163,647**	**205,943**

Capital and Reserves

The New General Banking Law requires that a Chilean bank have effective equity of at least 8.0% of its risk-weighted assets, net of required allowances for credit losses, and paid in capital and reserves, net of investments in subsidiaries, or basic capital, of at least 3.0% of its total assets, net of required credit loss allowances. For these purposes, the effective equity of a bank is the sum of (1) its basic capital, (2) the sum of the bonds issued by such bank with no maturity date and its preferred shares, valued at their placement price, up to a third of the bank's basic capital, (3) subordinated bonds issued by such bank, valued at their issue price for an amount of up to 50% of its basic capital, provided that the value of the subordinated bonds shall decrease by 20% for each year that elapses during the period commencing six years prior to their maturity, and (4) its voluntary allowances for credit losses, for an amount of up to 1.25% of its risk-weighted assets, net of required allowances for credit losses. The sum of a bank's basic capital, the bonds issued by such bank with no maturity date and its preferred shares cannot be less than 6.0% of its risk-weighted assets, net of required allowances for credit losses. As of the date of this Offering Circular, the Bank does not have goodwill, but if it did, that value would be deducted from effective equity. When calculating risk-weighted assets, the Bank also includes off-balance sheet contingent loans. For purposes of weighing the risk of a bank's assets, the New General Banking Law considers five different categories of assets, based on the type of borrower, the availability of funds, the nature of the assets and the existence of collateral securing such assets.

In December 2024, the Bank issued under the Program US$700,000,000 perpetual unsecured permanent write-down non-cumulative Additional Tier 1 (AT1) capital notes with no fixed maturity and not redeemable before five years from the date of issuance. If the consolidated common equity tier 1 (CET1) capital ratio of the Bank falls below 5.125%, the outstanding principal amount of these notes will be reduced to zero, and the Bank shall have no further obligations to pay principal or any accrued interest under the notes, in line with CMF rules set in Chapter 21-2 of RAN that provide for the conditions and requirements for the issuance of perpetual bonds.

The following table sets forth the Bank's basic capital as of December 31, 2024, 2023 and 2022.

	As of December 31,					
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
	(*in millions of nominal Ch$*)			(*as a % of risk-weighted assets*)		
Common equity tier I[(1)]	3,614,433	3,450,827	3,135,979	11.3%	11.2%	10.3%

(1) Calculated as paid in capital and reserves, net of investments in subsidiaries.

The following table sets forth the Bank's effective equity as of December 31, 2024, 2023 and 2022.

	As of December 31,					
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
	(*in millions of nominal Ch$*)			(*as a % of risk-weighted assets*)		
Regulatory capital [(1)]	5,541,100	4,629,910	4,122,749	17.30%	15.10%	13.50%

(1) Calculated as the sum of (i) basic capital, (ii) the sum of the bonds issued by the Bank with no maturity date and its preferred shares, valued at their placement price, up to a third of the Bank's basic capital, (iii) subordinated bonds issued by the Bank valued at their issue price for an amount of up to 50% of its basic capital; assuming that the value of the subordinated bonds will decrease by 20.0% for each year that elapses during the period commencing six years prior to their maturity, and (iv) voluntary allowances for credit losses, for an amount of up to 1.25% of the Bank's risk-weighted assets, net of required allowances for credit losses.

Financial Investments

The following table sets forth the Bank's financial debt and other instruments held for trading at fair value through profit or loss as of December 31, 2024, 2023 and 2022.

	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Instruments of Government and Banco Central de Chile:			
Debt financial instruments issued by Banco Central de Chile	36,111	21,533	560
Bonds or promissory notes issued by the Treasury	327,530	12,913	214,303
Other treasury debt financial instruments	-	-	-
Other debt financial instruments issued by domestic institutions:	-	-	
Debt financial instruments issued by other domestic banks	240,432	143,972	191,629
Domestic corporate bonds and commercial papers	1,967	3,962	4,492
Other debt financial instruments issued in Chile			-
Debt financial instruments issued by foreign institutions:			
Debt financial instruments of foreign governments and fiscal entities abroad	12,843	11,440	8,355
Debt financial instruments of foreign banks	-	-	-
Bond and commercial paper of companies abroad	-	-	-
Other debt financial instruments issued abroad	-	-	-
Other financial instruments:	-	-	
Investment in mutual funds	12,640	48,839	90,175
Equity instruments	10,238	7,358	5,264
Loans originated and acquired by the entity	-	-	-
Other	-	-	-
Total	641,761	**250,017**	**514,778**

The following table sets forth the Bank's financial debt securities at fair value through other comprehensive income investments designated as available for sale as of December 31, 2024, 2023 and 2022.

	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Instruments of Government and Banco Central de Chile:			
Debt financial instruments issued by Banco Central de Chile	-	395,919	614,465
Bonds or promissory notes issued by the Treasury	1,879,566	1,782,154	1,734,379
Other Treasury debt financial instruments	9,940	10,832	11,799
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 by foreign Central Banks:			
Debt financial of foreign governments and fiscal entities abroad	-	-	-
Debt financial instruments of other banks abroad	-	-	-
Bond and commercial paper of companies abroad	-	-	-
Other debt financial instruments issued abroad	-	-	-
Total	**1,889,506**	**2,188,905**	**2,360,643**

The following table sets forth the Bank's financial debt securities at amortized cost as of December 31, 2024, 2023 and 2022.

	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Instruments of Government and Banco Central de Chile:			
Debt financial instruments issued by Banco Central de Chile	-	1,359,476	-
Bonds or promissory notes issued by Tesorería General de la República (Chilean Treasury)	-	-	-
Other Treasury debt financial instruments	-	-	-
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	25,767	28,125	-
Debt financial instruments issued abroad:			
Debt financial instruments issued by foreign central banks	-	-	-
Debt financial instruments of other banks abroad	-	-	-
Bond and commercial paper of companies abroad	-	-	-
Other debt financial instruments issued abroad	-	-	-
Total	**25,767**	**1,387,601**	**-**

Risk-Weighted Assets

The following tables set forth the Bank's risk-weighted assets and regulatory capital as of December 31, 2024, 2023 and 2022 under Basel III as required by the Chilean regulator.

	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Market risk	3,439,564	3,000,163	3,042,505
Operational risk	2,991,129	2,738,932	2,439,484
Credit risk	25,591,077	25,019,225	25,046,401
Total risk-weighted assets	**32,021,770**	**30,758,320**	**30,528,390**

	As of December 31,					
	2024	2024	2023	2023	2022	2022
	(*Ch$ million*)	(*% of risk-weighted assets*)	(*Ch$ million*)	(*% of risk-weighted assets*)	(*Ch$ million*)	(*% of risk-weighted assets*)
Common equity tier I	3,614,433	11.3%	3,450,827	11.2%	3,135,979	10.3%
Additional tier I capital(1)	696,318	2.2%	-	0.0%	152,642	0.5%
Tier I capital	4,310,751	13.5%	3,450,827	11.2%	3,288,621	10.8%
Tier II capital	1,230,349	3.8%	1,179,083	3.8%	834,128	2.7%
Regulatory capital	5,541,100	17.3%	4,629,910	15.1%	4,122,749	13.5%

(1) Subordinated bonds can be accounted as additional tier I capital computing up to 1.5% of total risk-weighted assets. This percentage was decreased by 0.5% per year and reached 0% on December 31, 2023. In December 2024, the Bank issued under the Program US$700,000,000 perpetual unsecured permanent write-down non-cumulative Additional Tier 1 (AT1) capital notes with no fixed maturity and not redeemable before five years from the date of issuance. If the consolidated common equity tier 1 (CET1) capital ratio of the Bank falls below 5.125%, the outstanding principal amount of these notes will be reduced to zero, and the Bank shall have no further obligations to pay principal or any accrued interest under the notes, in line with CMF rules set in Chapter 21-2 of RAN that provide for the conditions and requirements for the issuance of perpetual bonds.

SELECTED STATISTICAL INFORMATION

The following information should be read in connection with, and is qualified in its entirety by reference to, the Audited Consolidated Financial Statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Offering Circular.

Average Consolidated Statement of Financial Position, Income Earned from Interest-Earning Assets and Interest Paid and Accrued on Interest-Bearing Liabilities

The average balances for interest-earning assets and interest-bearing liabilities, including interest and readjustments received and paid, have been calculated on the basis of monthly balances for us on a consolidated basis. Such average balances are presented in Chilean pesos, in UF and in foreign currencies (principally U.S. dollars).

The nominal interest rate has been calculated by dividing the amount of interest and principal readjustment due to changes in the UF index (gain or loss) during the period by the related average balance, both amounts expressed in constant pesos. The nominal rates calculated for each period have been converted into real rates using the following formulas:

$$Rp = ((1+Np) / (1+I)) - 1$$

$$Rd = (((1+Nd) * (1+D)) / (1+I)) - 1$$

Where:

Rp = real average rate for peso-denominated assets and liabilities (in Ch$ and UF) for the period;

Rd = real average rate for foreign currency-denominated assets and liabilities for the period;

Np = nominal average rate for peso-denominated assets and liabilities for the period;

Nd = nominal average rate for foreign currency-denominated assets and liabilities for the period;

D = devaluation (appreciation) rate of the Chilean peso to the U.S. dollar for the period; and

I = inflation rate in Chile for the period (based on the variation of the CPI).

The real interest rate can be negative for a portfolio of peso-denominated loans when the inflation rate for the period is higher than the average nominal rate of the loan portfolio for the same period. A similar effect could occur for a portfolio of foreign currency denominated loans when the inflation rate for the period is higher than the sum of the devaluation (appreciation) rate for the period and the corresponding average nominal rate of the portfolio.

The formula for the average real rate for foreign currency denominated assets and liabilities (Rd) reflects a gain or loss in purchasing power caused by the difference between the devaluation (appreciation) rate of the Chilean peso and the inflation rate in Chile during the period. The following example illustrates the calculation of the real interest rate for a dollar-denominated asset earning a nominal annual interest rate of 10.0% (Nd = 0.10), assuming a 5.0% annual devaluation rate (D = 0.05) and a 12.0% annual inflation rate (I = 0.12):

$$Rd = (((1 + 0.10)*(1+0.05))/(1+0.12))-1 = 3.125\% \text{ per year}$$

In the example, since the inflation rate was higher than the devaluation rate, the real rate is lower than the nominal rate in dollars. If, for example, the annual devaluation rate were 15.0%, using the same numbers, the real rate in Chilean pesos would be 12.9%, which is higher than the nominal rate in U.S. dollars. Using the same numbers, if the annual inflation rate were greater than 15.5%, the real rate would be negative.

The foreign exchange gains or losses on foreign currency-denominated assets and liabilities have not been included in interest income or expense. Similarly, interest on investments does not include trading gains or losses on these investments. Non-performing loans, defined as such under categories C3, C4, C5, and C6, consist of non-accrual loans and restructured loans for which interest is not recognized. Interest is not recognized during periods in which loans are past-due except for certain loans where 80% or more of our exposure under the loan is secured. However, interest received on past-due loans includes interest on such loans from the original maturity date. Non-performing loans that are overdue for 90 days or less have been included in each of the various categories of loans, and therefore affect the various averages. Non-performing loans that are overdue for 90 days or more are shown as a separate category of loans ("Past-due loans"). Interest and/or indexation readjustments received on all non-performing U.S. dollar-denominated loans during the periods are included as interest revenue. However, all peso-denominated loans that are classified as non-performing do not accrue interest or indexation adjustments as interest revenue.

Included in interbank deposits are checking accounts maintained in the Central Bank and foreign banks. Such assets have a distorting effect on the average interest rate earned on total interest-earning assets because (i) balances maintained in the Central Bank do not earn interest, and (ii) balances maintained in overseas banks earn interest only for certain accounts in certain countries. Consequently, the average interest income on such assets is comparatively low. We maintain deposits in these accounts to comply with statutory requirements and to facilitate international business, rather than to earn income.

Distribution of Assets, Liabilities and Equity

	Year Ended December 31,											
	2024				2023				2022			
	Average balance	Interest earned	Average real rate(1)	Average nominal rate(1)	Average balance	Interest earned	Average real rate(1)	Average nominal rate(1)	Average balance	Interest earned	Average real rate	Average nominal rate
	(in millions of nominal Ch$, except percentages)											
Assets												
Interest-earning assets												
Deposits in Central Bank												
Ch$	672,041	39,364	1.30%	5.90%	155,509	17,806	7.3%	11.5%	—	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	672,041	39,364	—	—	155,509	17,806	—	—	—	—	—	—
Loans and advances to banks												
Ch$	175,436	6,764	(0.60%)	3.90%	208,387	18,315	4.7%	8.8%	58,329	4,177	(5.0)%	7.2%
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	17,323	871	12.70%	5.00%	16,505	786	3.8%	4.8%	4,548	69	(9.0)%	1.5%
Subtotal	192,759	7,635	0.60%	4.00%	224,892	19,101	4.6%	8.5%	62,877	4,246	(5.3)%	6.8%
Financial investments												
Ch$	1,577,452	65,671	(0.30%)	4.20%	2,355,096	154,504	2.6%	6.6%	1,730,312	68,303	(7.9)%	3.9%
UF	297,422	13,344	0.00%	4.50%	347,073	16,891	1.0%	4.9%	214,997	27,617	0.0%	12.8%
Foreign currency	46,137	1,850	11.70%	4.00%	48,682	2,089	3.3%	4.3%	51,835	2,296	(6.4)%	4.4%
Subtotal	1,921,011	80,865	0.03%	4.20%	2,750,851	173,484	2.4%	6.3%	1,997,144	98,216	(7.0)%	4.9%
Commercial loan												
Ch$	4,287,998	359,261	3.70%	8.40%	5,360,785	552,011	6.2%	10.3%	6,036,716	476,385	(4.3)%	7.9%
UF	4,634,648	385,625	3.60%	8.30%	4,163,552	363,179	4.6%	8.7%	3,869,481	589,066	2.1%	15.2%
Foreign currency	5,078,884	365,384	15.10%	7.20%	5,387,387	370,638	5.9%	6.9%	5,196,124	188,708	(7.1)%	3.6%
Subtotal	14,001,530	1,110,270	7.80%	7.90%	14,911,724	1,285,828	5.6%	8.6%	15,105,321	1,254,159	(3.6)%	8.3%
Mortgage loans												
Ch$	1,090	71	1.90%	6.50%	1,228	81	2.6%	6.6%	2,811	91	(8.5)%	3.2%
UF	13,959,523	1,063,924	3.00%	7.60%	13,794,200	1,086,385	3.8%	7.9%	12,632,260	1,948,126	2.3%	15.4%
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	13,960,613	1,063,995	3.00%	7.60%	13,795,428	1,086,466	3.8%	7.9%	12,635,071	1,948,217	2.3%	15.4%
Consumer loans												
Ch$	4,209,034	727,067	12.20%	17.30%	3,906,167	661,032	12.5%	16.9%	3,508,382	498,676	1.2%	14.2%
UF	11,494	896	3.20%	7.80%	13,422	1,206	4.9%	9.0%	17,737	2,918	3.3%	16.5%
Foreign currency	18,877	—	7.40%	0.00%	17,269	—	(1.0)%	0.0%	14,949	—	(10.4)%	—
Subtotal	4,239,405	727,963	12.15%	17.20%	3,936,858	662,238	12.4%	16.8%	3,541,068	501,594	1.2%	14.2%
Repurchase agreements and securities loans												
Ch$	278,513	19,882	2.50%	7.10%	168,762	18,086	6.5%	10.7%	134,015	15,592	(1.1)%	11.6%
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	729	7	—	—	2,213	255	—	—	—	—	—	—
Subtotal	279,242	19,889	2.49%	7.10%	170,975	18,341	6.4%	10.7%	134,015	(15,592)	(1.1)%	11.6%
Derivatives												
Ch$	314,849	(53,145)	(20.50%)	(16.90%)	356,250	(40,431)	(14.6)%	(11.3)%	417,195	(760,873)	(173.0)%	(182.4)%
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	29	—	—	—	—	—	—	—	—	—	—	—
Subtotal	314,878	(53,145)	(20.50%)	(16.90%)	356,250	(40,431)	(14.6)%	(11.3)%	417,195	(760,873)	(173.0)%	(182.4)%
Other assets												
Ch$	124,335	4,020	(1.20%)	3.20%	166,195	7,227	0.4%	4.3%	151,857	3,702	(9.2)%	2.4%
UF	32,141	11,469	29.90%	35.70%	50,285	11,047	17.4%	22.0%	77,432	18,978	10.4%	24.5%
Foreign currency	809,519	42,697	13.10%	5.30%	724,912	34,686	3.8%	4.8%	964,048	10,887	(9.4)%	1.1%
Subtotal	965,995	58,186	11.82%	6.00%	941,392	52,960	3.9%	5.6%	1,193,337	33,567	(8.1)%	2.8%

	Year Ended December 31,											
	2024				2023				2022			
	Average balance	Interest earned	Average real rate(1)	Average nominal rate(1)	Average balance	Interest earned	Average real rate(1)	Average nominal rate(1)	Average balance	Interest earned	Average real rate	Average nominal rate
	(*in millions of nominal Ch$, except percentages*)											
Total interest-earning assets												
Ch$	11,640,748	1,168,955	5.30%	10.00%	12,678,379	1,388,631	6.8%	11.0%	12,039,617	306,053	(9.1)%	2.5%
UF	18,935,228	1,475,258	3.20%	7.80%	18,368,532	1,478,708	4.0%	8.1%	16,811,907	2,586,705	2.3%	15.4%
Foreign currency	5,971,498	410,809	14.80%	6.90%	6,196,968	408,454	5.6%	6.6%	6,231,504	201,960	(7.5)%	3.2%
Total	36,547,474	3,055,022	5.76%	8.40%	**37,243,879**	**3,275,793**	5.2%	8.8%	**35,083,028**	**3,094,718**	(3.4)%	8.8%
Non-interest-earning assets												
Cash												
Ch$	611,141	—	—	—	675,476	—	—	—	676,687	—	—	—
UF	-	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	129,577	—	—	—	140,103	—	—	—	141,985	—	—	—
Subtotal	740,718	—	—	—	815,579	—	—	—	818,672	—	—	—
Allowances for credit losses												
Ch$	(621,787)	—	—	—	(560,127)	—	—	—	(436,089)	—	—	—
UF	-	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	(118,392)	—	—	—	(87,739)	—	—	—	(79,758)	—	—	—
Subtotal	(740,179)	—	—	—	(647,866)	—	—	—	(515,847)	—	—	—
Property, plant and equipment												
Ch$	230,318	—	—	—	256,250	—	—	—	266,821	—	—	—
UF	-	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	-	—	—	—	—	—	—	—	—	—	—	—
Subtotal	230,318	—	—	—	256,250	—	—	—	266,821	—	—	—
Derivatives												
Ch$	6,085,095	—	—	—	6,324,915	—	—	—	6,807,124	—	—	—
UF	-	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	-	—	—	—	—	—	—	—	—	—	—	—
Subtotal	6,085,095	—	—	—	6,324,915	—	—	—	6,807,124	—	—	—
Financial investments trading												
Ch$	215,910	—	—	—	192,515	—	—	—	183,307	—	—	—
UF	183,500	—	—	—	159,989	—	—	—	205,729	—	—	—
Foreign currency	14,628	—	—	—	11,997	—	—	—	7,654	—	—	—
Subtotal	414,038	—	—	—	364,501	—	—	—	396,690	—	—	—
Other assets										—	—	—
Ch$	1,333,053	—	—	—	1,114,989	—	—	—	1,108,634	—	—	—
UF	-	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	234,735	—	—	—	236,075	—	—	—	238,692	—	—	—
Subtotal	1,567,788				1,351,064				1,347,326	—	—	—
Total non-interest-earning assets												
Ch$	7,853,730	—	—	—	8,004,018	—	—	—	8,606,484	—	—	—
UF	183,500	—	—	—	159,989	—	—	—	205,729	—	—	—
Foreign currency	260,548	—	—	—	300,436	—	—	—	308,573	—	—	—
Total	8,297,778	—	—	—	8,464,443	—	—	—	9,120,786	—	—	—

	Year Ended December 31,											
	2024				2023				2022			
	Average balance	**Interest earned**	**Average real rate[(1)]**	**Average nominal rate[(1)]**	**Average balance**	**Interest earned**	**Average real rate[(1)]**	**Average nominal rate[(1)]**	**Average balance**	**Interest earned**	**Average real rate**	**Average nominal rate**
	(*in millions of nominal Ch$, except percentages*)											
Total assets												
Ch$	19,494,478	1,168,955	1.40%	6.00%	20,682,397	1,388,631	2.7%	6.7%	20,646,101	306,053	(10.0)%	1.5%
UF	19,118,728	1,475,258	3.10%	7.70%	18,528,521	1,478,708	3.9%	8.0%	17,017,636	2,586,705	2.1%	15.2%
Foreign currency	6,232,046	410,809	14.50%	6.60%	6,497,404	408,454	5.3%	6.3%	6,540,077	201,960	(7.6)%	3.1%
Total	44,845,252	3,055,022	3.95%	6.80%	**45,708,322**	**3,275,793**	3.6%	7.2%	**44,203,814**	**3,094,718**	(5.0)%	7.0%

(1) The formula for this rate is defined previously in this section.

	Year Ended December 31,											
	2024				2023				2022			
	Average balance	**Interest paid and accrued**	**Average real rate[(1)]**	**Average nominal rate[1)]**	**Average balance**	**Interest paid and accrued**	**Average real rate[(1)]**	**Average nominal rate[1)]**	**Average balance**	**Interest paid and accrued**	**Average real rate**	**Average nominal rate**
	(*in millions of nominal Ch$, except percentages*)											
Liabilities and net equity												
Interest bearing liabilities												
Savings accounts												
Ch$	891,571	27,464	(1.30%)	3.10%	1,348,945	41,135	(0.9)%	3.0%	1,215,066	49,966	(7.7)%	4.1%
UF	99,688	4,332	(0.20%)	4.30%	102,943	4,705	0.7%	4.6%	108,468	12,770	(0.9)%	11.8%
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	991,259	31,796	(1.19%)	3.20%	1,451,888	45,840	(0.8)%	3.2%	1,323,534	62,736	(7.1)%	4.7%
Term deposits												
Ch$	9,330,371	610,247	1.90%	6.50%	9,003,018	913,895	6.1%	10.2%	7,811,283	642,098	(4.1)%	8.2%
UF	481,198	37,229	3.10%	7.70%	568,061	48,262	4.4%	8.5%	259,112	36,302	1.1%	14.0%
Foreign currency	3,797,721	218,785	13.60%	5.80%	4,005,360	231,122	4.8%	5.8%	3,793,851	87,699	(8.3)%	2.3%
Subtotal	13,609,290	866,261	5.21%	6.40%	13,576,439	1,193,279	5.6%	8.8%	11,864,246	766,099	(5.3)%	6.5%
Repurchase agreements												
Ch$	293,131	17,057	1.20%	5.80%	170,325	17,149	6.0%	10.1%	241,621	20,419	(3.8)%	8.5%
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	—	277	—	—	—	—	—	—	—	—	—	—
Subtotal	293,131	17,334	1.20%	5.90%	170,325	17,156	6.0%	10.1%	241,621	20,419	(3.8)%	8.5%
Letters of credit (mortgage finance bonds)												
Ch$	—	—			—	—	—		—	—	—	—
UF	80,647	7,205	4.20%	8.90%	92,627	8,608	5.2%	9.3%	100,835	17,198	3.8%	17.1%
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	80,647	7,205	16.90%	8.90%	92,627	8,608	8.2%	9.3%	100,835	17,198	5.0%	17.1%
Bonds												
Ch$	572,138	34,365	1.40%	6.00%	374,221	20,444	1.5%	5.5%	328,888	9,641	(8.8)%	2.9%
UF	7,994,488	541,849	2.20%	6.80%	7,906,249	552,056	3.0%	7.0%	6,982,457	1,026,366	1.7%	14.7%
Foreign currency	909,982	15,567	9.20%	1.70%	653,273	10,747	0.6%	1.6%	544,581	8,110	(9.0)%	1.5%
Subtotal	9,476,608	591,781	2.82%	6.20%	8,933,743	583,247	2.8%	6.5%	7,855,926	1,044,117	0.5%	13.3%

	Year Ended December 31,											
	2024				2023				2022			
	Average balance	Interest paid and accrued	Average real rate[(1)]	Average nominal rate[1)]	Average balance	Interest paid and accrued	Average real rate[(1)]	Average nominal rate[1)]	Average balance	Interest paid and accrued	Average real rate	Average nominal rate
	(*in millions of nominal Ch$, except percentages*)											
Liabilities under lease arrangements												
Ch$	7	—	(4.30%)	—	10	—	(3.8)%	—	222	—	(11.3)%	—
UF	141,845	4,400	(1.30%)	3.10%	157,050	4,396	(1.1)%	2.8%	158,191	4,289	(9.0)%	2.7%
Foreign currency	—	—	0.00%	—	—	—	—	—	—	—	—	—
Subtotal	141,852	4,400	(1.30%)	3.10%	157,060	4,396	(1.1)%	2.8%	158,413	4,289	(9.0)%	2.7%
Other interest bearing liabilities[(2)]												
Ch$	1,236,860	15,165	(3.20%)	1.20%	3,211,466	21,846	(3.1)%	0.7%	3,235,052	21,917	(10.7)%	0.7%
UF	156,928	4,973	(1.20%)	3.20%	140,468	6,176	0.5%	4.4%	240,396	26,177	(1.7)%	10.9%
Foreign currency	3,243,384	183,905	13.50%	5.70%	3,207,245	173,645	4.4%	5.4%	3,046,880	64,917	(8.5)%	2.1%
Subtotal	4,637,172	204,043	8.55%	4.40%	6,559,179	201,667	0.6%	3.1%	6,522,328	113,011	(9.3)%	1.7%
Derivatives												
Ch$	1,480,811	20,142	(3.00%)	1.40%	1,463,386	524	(3.8)%	0.0%	1,427,065	70,330	(15.7)%	(4.9)%
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	1,480,811	20,142	(3.00%)	1.40%	1,463,386	524	(3.8)%	0.0%	1,427,065	70,330	(15.7)%	(4.9)%
Total interest bearing liabilities												
Ch$	13,804,889	724,440	0.70%	5.20%	15,571,371	1,014,993	2.5%	6.5%	14,259,197	673,711	(7.2)%	4.7%
UF	8,954,794	599,988	2.10%	6.70%	8,967,398	624,203	3.0%	7.0%	7,849,459	1,123,102	1.3%	14.3%
Foreign currency	7,951,087	418,534	13.10%	5.30%	7,865,878	415,521	4.3%	5.3%	7,385,312	160,726	(8.4)%	2.2%
Total	**30,710,770**	**1,742,962**	4.32%	5.70%	**32,404,647**	**2,054,717**	3.1%	6.3%	**29,493,968**	**1,957,539**	(5.2)%	6.6%
Non–interest bearing liabilities												
Demand Deposits												
Ch$	3,461,155	—	—	—	2,768,061	—	—	—	3,692,242	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	590,052	—	—	—	562,477	—	—	—	732,677	—	—	—
Subtotal	4,051,207	—	—	—	3,330,538	—	—	—	4,424,919	—	—	—
Derivatives												
Ch$	5,212,838	—	—	—	5,505,575	—	—	—	6,349,343	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	5,212,838	—	—	—	5,505,575	—	—	—	6,349,343	—	—	—
Other provisions												
Ch$	333,023	—	—	—	332,009	—	—	—	357,553	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	9,522	—	—	—	10,687	—	—	—	7,267	—	—	—
Subtotal	342,545	—	—	—	342,696	—	—	—	364,820	—	—	—
Other non–interest bearing liabilities												
Ch$	676,580	—	—	—	643,746	—	—	—	618,791	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	292,955	—	—	—	243,727	—	—	—	235,564	—	—	—
Subtotal	969,535	—	—	—	887,473	—	—	—	854,355	—	—	—

	Year Ended December 31,											
	2024				2023				2022			
	Average balance	Interest paid and accrued	Average real rate(1)	Average nominal rate1)	Average balance	Interest paid and accrued	Average real rate(1)	Average nominal rate1)	Average balance	Interest paid and accrued	Average real rate	Average nominal rate
	(*in millions of nominal Ch$, except percentages*)											
Equity attributable to equity holders of the Bank		—	—	—		—	—	—				
Ch$	3,558,357	—	—	—	3,237,393	—	—	—	2,716,409	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	3,558,357	—	—	—	3,237,393	—	—	—	2,716,409	—	—	—
Total non-interest bearing liabilities and equity attributable to equity holders of the Bank		—	—	—		—	—	—				
Ch$	13,241,953	—	—	—	12,486,784	—	—	—	13,734,338	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	892,529	—	—	—	816,891	—	—	—	975,508	—	—	—
Subtotal	14,134,482	—	—	—	13,303,675	—	—	—	14,709,846	—	—	—
Total liabilities and equity attributable to equity holders of the Bank												
Ch$	27,046,842		724,440		28,058,155	1,014,993	(0.3)%	3.6%	27,993,535	673,711	(9.2)%	2.4%
UF	8,954,794		599,988		8,967,398	624,203	3.0%	7.0%	7,849,459	1,123,102	1.3%	14.3%
Foreign currency	8,843,616		418,534		8,682,769	415,521	3.8%	4.8%	8,360,820	160,726	(8.7)%	1.9%
Total	**44,845,252**		**1,742,962**		**45,708,322**	**2,054,717**	1.1%	4.5%	**44,203,814**	**1,957,539**	(7.2)%	4.4%

(1) The formula for this rate is defined previously in this section.

(2) Other interest bearing liabilities include foreign borrowings, subordinated bonds, bonds and borrowings from domestic financial institutions.

Interest-Earning Assets and Net Interest Margin

The following table sets forth, by currency of denomination, the levels of average interest-earning assets and net interest earned by the bank, and illustrates the comparative margins obtained, for each of the years indicated in the table.

	Year Ended December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$, except for percentages*)		
Total average interest-earning assets			
Ch$	11,640,748	12,678,379	12,039,617
UF	18,935,228	18,368,532	16,811,907
Foreign currency	5,971,498	6,196,968	6,231,504
Total	**36,547,474**	**37,243,879**	**35,083,028**
Net interest earned(1)			
Ch$	444,515	373,638	(367,658)
UF	875,270	854,505	1,463,603
Foreign currency	(7,725)	(7,067)	41,234
Total	**1,312,060**	**1,221,076**	**1,137,179**
Net interest margin, nominal basis(2)	-		
Ch$	3.8%	2.9%	(3.1)%
UF	4.6%	4.7%	8.7%
Foreign currency	(0.1)%	(0.1)%	0.7%
Total	3.6%	3.3%	3.2%

(1) Net interest earned is defined as interest revenue earned less interest expense incurred.
(2) Net interest margin, nominal basis is defined as net interest earned divided by monthly average interest-earning assets.

Changes in Net Interest Income—Volume and Rate Analysis

The following tables compare, by currency of denomination, changes in our interest revenue and interest expense between changes in the average volume of interest-earning assets and interest-bearing liabilities and changes in their respective nominal interest rates between 2024 and 2023 and between 2023 and 2022. Volume and rate variances have been calculated based on movements in average balances over the period and changes in nominal interest rates on average interest-earning assets and average interest-bearing liabilities.

	Increase (decrease) from 2023 to 2024 due to changes in			Net change from 2023 to 2024
	Volume	Rate	Rate and Volume	
	(*in millions of nominal Ch$*)			
Assets				
Interest-earnings assets				
Loans and advances to banks				
Ch$	59,401	(8,709)	(29,134)	21,558
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	59,401	(8,709)	(29,134)	21,558
Loans and advances to banks				
Ch$	(2,900)	(10,211)	1,560	(11,551)
UF	—	—	—	—
Foreign currency	39	33	13	85
Subtotal	(2,861)	(10,178)	1,573	(11,466)
Financial investments				
Ch$	(51,325)	(56,522)	19,014	(88,833)
UF	(2,433)	(1,388)	274	(3,547)
Foreign currency	(109)	(146)	16	(239)
Subtotal	(53,867)	(58,056)	19,304	(92,619)
Commercial loans				
Ch$	(110,497)	(101,855)	19,602	(192,750)
UF	40,985	(16,654)	(1,885)	22,446
Foreign currency	(21,287)	16,162	(129)	(5,254)
Subtotal	(90,799)	(102,347)	17,588	(175,558)
Mortgage loans				
Ch$	(9)	(1)	—	(10)
UF	13,061	(41,383)	5,861	(22,461)
Foreign currency	—	—	—	—
Subtotal	13,052	(41,384)	5,861	(22,471)
Consumer loans				
Ch$	51,185	15,625	(775)	66,035
UF	(174)	(161)	25	(310)
Foreign currency	—	—	—	—
Subtotal	51,011	15,464	(750)	65,725
Repurchase agreements and securities loans				
Ch$	11,743	(6,075)	(3,872)	1,796
UF	—	—	—	—
Foreign currency	—	—	(248)	(248)
Subtotal	11,743	(6,075)	(4,120)	1,548
Derivatives				
Ch$	4,678	(19,950)	2,558	(12,714)
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	4,678	(19,950)	2,558	(12,714)
Right-of-use assets				
Ch$	—	—	—	—
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	—	—	—	—
Other assets				
Ch$	(1,800)	(1,828)	421	(3,207)
UF	(3,992)	6,889	(2,475)	422
Foreign currency	4,061	3,625	325	8,011
Subtotal	(1,731)	8,686	(1,729)	5,226
Total interest-earning assets				
Ch$	(39,524)	(189,526)	9,374	(219,676)
UF	47,447	(52,697)	1,800	(3,450)
Foreign currency	(17,296)	19,674	(23)	2,355
Total	**(9,373)**	**(222,549)**	**11,151**	**(220,771)**

	Increase (decrease) from 2023 to 2024 due to changes in			Net change from 2023 to 2024
	Volume	Rate	Rate and Volume	
	(*in millions of nominal Ch$*)			
Liabilities				
Interest bearing liabilities				
Savings accounts				
Ch$	(13,721)	1,349	(1,299)	(13,671)
UF	(150)	(309)	86	(373)
Foreign currency	—	—	—	—
Subtotal	(13,871)	1,040	(1,213)	(14,044)
Term deposits				
Ch$	33,390	(333,112)	(3,926)	(303,648)
UF	(7,383)	(4,544)	894	(11,033)
Foreign currency	(12,043)	—	(294)	(12,337)
Subtotal	13,964	(337,656)	(3,326)	(327,018)
Repurchase agreements				
Ch$	12,403	(7,324)	(5,171)	(92)
UF	—	—	—	—
Foreign currency	—	—	270	270
Subtotal	12,403	(7,324)	(4,901)	178
Letters of credit (mortgage finance bonds)				
Ch$	—	—	—	—
UF	(1,114)	(371)	82	(1,403)
Foreign currency	—	—	—	—
Subtotal	(1,114)	(371)	82	(1,403)
Bonds				
Ch$	10,885	1,871	1,165	13,921
UF	6,177	(15,812)	(572)	(10,207)
Foreign currency	4,107	653	60	4,820
Subtotal	21,169	(13,288)	653	8,534
Liabilities under lease arrangements				
Ch$	—	—	—	—
UF	(426)	471	(41)	4
Foreign currency	—	—	—	—
Subtotal	(426)	471	(41)	4
Other interest bearing liabilities [(1)]				
Ch$	(13,822)	16,057	(8,916)	(6,681)
UF	724	(1,686)	(241)	(1,203)
Foreign currency	1,952	9,622	(1,314)	10,260
Subtotal	(11,146)	23,993	(10,471)	2,376
Derivatives				
Ch$	—	20,487	(869)	19,618
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	—	20,487	(869)	19,618
Total interest bearing liabilities				
Ch$	29,135	(300,672)	(19,016)	(290,553)
UF	(2,172)	(22,251)	208	(24,215)
Foreign currency	(5,984)	10,275	(1,278)	3,013
Total	**20,979**	**(312,648)**	**(20,086)**	**(311,755)**

	Increase (decrease) from 2022 to 2023 due to changes in			Net change from 2022 to 2023
	Volume	Rate	Rate and Volume	
	(*in millions of nominal Ch$*)			
Assets				
Interest-earnings assets				
Loans and advances to banks				
Ch$	—	—	17,806	17,806
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	—	—	17,806	17,806
Loans and advances to banks				
Ch$	10,804	933	2,401	14,138
UF	—	—	—	—
Foreign currency	179	150	388	717
Subtotal	10,983	1,083	2,789	14,855
Financial investments				
Ch$	24,367	46,718	15,116	86,201
UF	16,906	(16,985)	(10,647)	(10,726)
Foreign currency	(139)	(52)	(16)	(207)
Subtotal	41,134	29,681	4,453	75,268
Commercial loans				
Ch$	(53,399)	144,881	(15,857)	75,625
UF	44,699	(251,516)	(19,071)	(225,888)
Foreign currency	6,885	171,472	3,573	181,930
Subtotal	(1,815)	64,837	(31,355)	31,667
Mortgage loans				
Ch$	(51)	96	(55)	(10)
UF	178,939	(947,420)	(93,260)	(861,741)
Foreign currency	—	—	—	—
Subtotal	178,888	(947,324)	(93,315)	(861,751)
Consumer loans				
Ch$	56,485	94,726	11,146	162,357
UF	(712)	(1,330)	330	(1,712)
Foreign currency	—	—	—	—
Subtotal	55,773	93,396	11,476	160,645
Repurchase agreements and securities loans				
Ch$	4,031	(1,206)	(331)	2,494
UF	—	—	—	—
Foreign currency	—	—	255	255
Subtotal	4,031	-1,206	(76)	2,749
Derivatives				
Ch$	111,164	713,821	(104,542)	720,443
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	111,164	713,821	(104,542)	720,443
Right-of-use assets				
Ch$	—	—	—	—
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	—	—	—	—
Other assets				
Ch$	344	2,885	296	3,525
UF	(6,651)	(1,936)	656	(7,931)
Foreign currency	(2,630)	35,670	(9,241)	23,799
Subtotal	(8,937)	36,619	(8,289)	19,393
Total interest-earning assets				
Ch$	153,745	1,002,854	(74,020)	1,082,579
UF	233,181	(1,219,187)	(121,992)	(1,107,998)
Foreign currency	4,295	207,240	(5,041)	206,494
Total	**391,221**	**(9,093)**	**(201,053)**	**181,075**

	Increase (decrease) from 2022 to 2023 due to changes in			Net change from 2022 to 2023
	Volume	Rate	Rate and Volume	
	(*in millions of nominal Ch$*)			
Liabilities				
Interest bearing liabilities				
Savings accounts				
Ch$	5,489	(13,366)	(954)	(8,831)
UF	(652)	(7,810)	397	(8,065)
Foreign currency	—	—	—	—
Subtotal	4,837	(21,176)	(557)	(16,896)
Term deposits				
Ch$	97,722	156,226	17,849	271,797
UF	43,253	(14,251)	(17,042)	11,960
Foreign currency	4,865	132,785	5,773	143,423
Subtotal	145,840	274,760	6,580	427,180
Repurchase agreements				
Ch$	(6,060)	3,866	(1,076)	(3,270)
UF	—	—	—	—
Foreign currency	—	—	7	7
Subtotal	(6,060)	3,866	(1,069)	(3,263)
Letters of credit (mortgage finance bonds)				
Ch$	—	—	—	—
UF	(1,404)	(7,865)	679	(8,590)
Foreign currency	—	—	—	—
Subtotal	(1,404)	(7,865)	679	(8,590)
Bonds				
Ch$	1,315	8,551	937	10,803
UF	135,797	(537,649)	(72,458)	(474,310)
Foreign currency	—	8,713	(6,076)	2,637
Subtotal	137,112	(520,385)	(77,597)	(460,870)
Liabilities under lease arrangements				
Ch$	—	—	—	—
UF	(31)	158	(20)	107
Foreign currency	—	—	—	—
Subtotal	(31)	158	(20)	107
Other interest bearing liabilities (1)				
Ch$	(165)	—	94	(71)
UF	(10,892)	(15,626)	6,517	(20,001)
Foreign currency	3,368	100,547	4,813	108,728
Subtotal	(7,689)	84,921	11,424	88,656
Derivatives				
Ch$	(1,780)	69,926	2,708	70,854
UF	—	—	—	—
Foreign currency	—	—	—	—
Subtotal	(1,780)	69,926	2,708	70,854
Total interest bearing liabilities				
Ch$	96,521	225,203	19,558	341,282
UF	166,071	(583,043)	(81,927)	(498,899)
Foreign currency	8,233	242,045	4,517	254,795
Total	**270,825**	**(115,795)**	**(57,852)**	**97,178**

(1) Other interest bearing liabilities primarily include foreign borrowings, subordinated bonds, bonds and borrowings from domestic financial institutions.

Investment Portfolio

The following table sets forth our investments in Chilean government and corporate securities and certain other financial investments as of the dates indicated. Financial investments that have a secondary market and an original maturity of more than one year are carried at fair value. All other financial investments are carried at acquisition cost, plus accrued interest and UF indexation adjustments, as applicable.

Financial Debt and Other Instruments Held for Trading at Fair Value through Profit or Loss

	As of December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$, except for rate data*)		
Debt financial instruments			
Debt financial instruments issued by Central Bank of Chile	36,111	21,533	560
Bonds or promissory notes issued by the Treasury	327,530	12,913	214,303
Other Treasury debt financial instruments	—	—	—
Government and Central Bank of Chile	363,641	**34,446**	**214,863**
Debt financial instruments issued by other domestic banks	240,432	143,972	191,629
Domestic corporate bonds and commercial paper	1,967	3,962	4,492
Other debt financial instruments issued in Chile	—	—	—
Other debt financial instruments issued in Chile	242,399	**147,934**	**196,121**
Debt financial instruments issued by foreign central banks	—	—	—
Debt financial instruments of foreign governments and fiscal entities abroad	12,843	11,440	8,355
Debt financial instruments of foreign banks	—	—	—
Bond and commercial paper of companies abroad	—	—	—
Other debt financial instruments issued abroad	—	—	—
Debt financial instruments issued abroad	**12,843**	**11,440**	**8,355**
Investment in mutual funds	12,640	48,839	90,175
Equity instruments(1)	10,238	7,358	5,264
Loans originated and acquired by the entity	—	—	—
Other	—	—	—
Other financial instruments	22,878	**56,197**	**95,439**
Total	**641,761**	**250,017**	**514,778**

(1) Shares held by Scotiabank Corredora de Bolsa were reclassified from the caption "Other instruments issued" locally to the caption "Equity instruments."

Financial Debt Securities at Fair Value through Other Comprehensive Income

	As of December 31,			Weighted Average Nominal Rate as of December 31, 2024[(1)]
	2024	2023	2022	
	(*in millions of nominal Ch$, except for rate data*)			
Debt financial instruments				
Debt financial instruments issued by Central Bank of Chile	—	395,919	614,465	—
Bonds or promissory notes issued by the Treasury	1,879,566	1,782,154	1,734,379	4.98%
Other Treasury debt financial instruments	9,940	10,832	11,799	2.65%
Government and Banco Central of Chile	1,889,506	2,188,905	2,360,643	4.96%
Debt financial instruments issued by other domestic banks	—	—	—	—
Domestic corporate bonds and commercial paper	—	—	—	—
Other debt financial instruments issued in Chile	—	—	—	—
Other debt financial instruments issued in Chile	—	—	—	—
Debt financial instruments issued by foreign central banks	—	—	—	—
Debt financial instruments of foreign governments and fiscal entities abroad	—	—	—	—
Debt financial instruments of other banks abroad	—	—	—	—
Bond and commercial paper of companies abroad	—	—	—	—
Other debt financial instruments issued abroad	—	—	—	—
Debt financial instruments issued abroad	—	—	—	—
Other financial instruments	—	—	—	—
Total	1,889,506	**2,188,905**	**2,360,643**	**4.96%**

(1) The rates noted above for the financial debt securities at fair value through other comprehensive income are based on the contractual terms in force for the times remaining to maturity on the existing portfolio as of December 31, 2024.

Financial Debt Securities at Amortized Cost

	As of December 31,			Weighted Average Nominal Rate as of December 31, 2024[(1)]
	2024	2023	2022	
	(*in millions of nominal Ch$, except for rate data*)			
Debt financial instruments				
Government and Banco Central of Chile	—	1,359,476	—	—
Other debt financial instruments issued in Chile	25,767	28,125	—	8.70%
Debt financial instruments issued abroad	—	—	—	—
Total	**25,767**	**1,387,601**	—	8.70%

(1) The rates noted above for the financial debt securities at fair value through other comprehensive income are based on the contractual terms in force for the times remaining to maturity on the existing portfolio as of December 31, 2024.

As of December 31, 2024, financial instruments issued by the Central Bank and Chilean Treasury were the only financial instruments issued by a single counterparty whose aggregate book value exceeded 5% of our equity attributable to equity holders of the Bank. The value of such investments as of December 31, 2024 is as follows.

Issuer	**Carrying Value**	**Market Value**
	(*in millions of nominal Ch$*)	
Central Bank	36,114	36,111
Chilean Treasury	2,297,139	2,207,096

The following table sets forth an analysis of our financial debt investments as of December 31, 2024, by time remaining to maturity and rates (as defined below footnotes (1) and (2)) of such investments.

	In one year or less	Rate [(1)]	After one year through five years	Rate [(1)]	After five years through 10 years	Rate [(1)]	After 10 years	Rate [(1)]
	(in millions of nominal Ch$, except percentages)							
Financial debt and other instruments held for trading at fair value through profit or loss:								
Debt financial instruments issued by Central Bank of Chile	36,110.5	5.04%	—	—	—	—	—	—
Bonds or promissory notes issued by the Treasury	1,740.5	0.87%	50,693.9	4.11%	240,475.6	5.73%	34,620.2	5.69%
Other Treasury debt financial instruments	—	—	—	—	—	—	—	—
Government and Central bank of Chile	**37,851**	**4.85%**	**50,694**	**4.11%**	**240,476**	**5.73%**	**34,620**	**5.69%**
Debt financial instruments issued by other domestic bank	162,594	5.15%	42,684	5.30%	33,512	3.76%	1,642	3.22%
Domestic corporate bonds and commercial paper	—	—	1,967	4.23%	—	—	—	—
Other debt financial instruments issued in Chile								
Other debt financial instruments issued in Chile	**162,594**	**5.15%**	**44,651**	**5.25%**	**33,512**	**3.76%**	**1,642**	**3.22%**
Debt financial instruments issued by foreign central banks	—	—	7,061	4.72%	5,782	4.91%	—	—
Debt financial instruments of foreign governments and fiscal entities abroad								
Debt financial instruments of foreign banks								
Bond and commercial paper of companies abroad								
Other debt financial instruments issued abroad								
Debt financial instruments issued abroad	—	—	**7,061**	**4.72%**	**5,782**	**4.91%**	—	—
Investment in mutual funds[(2)]	12,640	—	—	—	—	—	—	—
Equity instruments[(2)]	10,238	—	—	—	—	—	—	—
Loans originated and acquired by the entity		—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Other financial instruments	**22,878**							
Total financial debt and other instruments held for trading at fair value through profit or loss	**223,323**	**5.10%**	**102,406**	**4.65%**	**279,769**	**5.47%**	**36,262**	**5.58%**
Financial debt securities at fair value through other comprehensive income:								
Debt financial instruments issued by Central Bank of Chile								
Bonds or promissory notes issued by the Treasury	641,597	4.62%	441,144	4.61%	750,118	5.43%	46,707	5.98%
Other Treasury debt financial instruments	60	2.52%	4,769	2.48%	4,460	2.72%	650	3.50%
Government and Central Bank of Chile	**641,658**	**4.62%**	**445,913**	**4.59%**	**754,578**	**5.42%**	**47,357**	**5.95%**

Debt financial instruments issued by other domestic bank	—	—	—	—	—	—	—	—
Domestic corporate bonds and commercial paper	—	—	—	—	—	—	—	—
Other debt financial instruments issued in Chile	—	—	—	—	—	—	—	—
Other debt financial instruments issued in Chile	—	—	—	—	—	—	—	—
Debt financial instruments issued by foreign central banks	—	—	—	—	—	—	—	—
Debt financial instruments of foreign governments and fiscal entities abroad	—	—	—	—	—	—	—	—
Debt financial instruments of other banks abroad	—	—	—	—	—	—	—	—
Bond and commercial paper of companies abroad	—	—	—	—	—	—	—	—
Other debt financial instruments issued abroad	—	—	—	—	—	—	—	—
Debt financial instruments issued abroad	—	—	—	—	—	—	—	—
Other financial instruments	—	—	—	—	—	—	—	—
Total financial debt securities at fair value through other comprehensive income	**641,658**	**4.62%**	**445,913**	**4.59%**	**754,578**	**5.42%**	**47,357**	**5.95%**
Financial debt securities at amortized cost	—	—	—	—	—	—	—	—
Government and Central Bank of Chile	—	—	—	—	—	—	—	—
Other Debt Financial Instruments issued in Chile			25,767	8.70%				
Other debt financial instruments issued abroad	—	—	—	—	—	—	—	—
Total financial debt securities at amortized cost	—	—	**25,767**	**8.70%**	—	—	—	—
Total	**864,980**	**4.74%**	**574,087**	**4.78%**	**1,034,347**	**5.43%**	**83,619**	**5.79%**

(1) The rates noted above for the financial debt securities at fair value through other comprehensive income are based on the contractual terms in force for the times remaining to maturity on the existing portfolio as of December 31, 2024.

(2) Mutual funds do not have specific contractual rates.

Loan Portfolio

The following table analyzes our total loans by type of loan. All loan amounts stated below are before deduction of allowances for credit losses. Total loans reflect our loan portfolio, including past-due principal and interest amounts.

	As of December 31,					
	2024		2023		2022	
	(in millions of nominal Ch$)	**% of Loans**	*(in millions of nominal Ch$)*	**% of Loans**	*(in millions of nominal Ch$)*	**% of Loans**
Commercial loans	14,181,857	43.34%	14,067,367	43.78%	15,725,947	47.32%
Mortgage loans	14,158,759	43.27%	13,891,712	43.23%	13,584,141	40.87%
Consumer loans	4,376,756	13.38%	4,147,251	12.91%	3,858,696	11.61%
Loans and advances to banks	1,565	0.00%	25,238	0.08%	66,837	0.20%
Total	**32,718,937**	**100.00%**	**32,131,568**	**100.00%**	**33,235,621**	**100.00%**

The loan categories are as follows:

Commercial Loans

Commercial loans are long-term and short-term loans, including checking overdraft lines for companies granted in Chilean pesos, inflation linked, U.S. dollar-linked or denominated in U.S. dollars. The interest on these loans is fixed or variable and is used primarily to finance working capital or investments. General commercial loans also include factoring operations.

Foreign trade loans are fixed rate, short-term loans made in foreign currencies (principally U.S. dollars) to finance imports and exports.

Factoring operations mainly include short-term loans to companies with a fixed monthly nominal rate backed by a company invoice.

Leasing contracts are agreements for the financial leasing of capital equipment and other property, whereby a lessor grants to a lessee a purchase option on certain leased assets.

Other outstanding loans include other loans and accounts payable.

Mortgage Loans

Endorsable mortgage loans mainly include mortgage loans (fixed and variable rate) that are inflation-indexed long-term loans with monthly payments of principal and interest secured by a real property mortgage. These loans can be endorsed to a third party and are financed by our general borrowings.

Residential mortgage loans funded by letters of credit (mortgage finance bonds) are inflation-indexed, fixed or variable rate, long-term loans with monthly payments of principal and interest secured by a real property mortgage that are financed with letters of credit (mortgage finance bonds). Residential mortgage loans funded by letters of credit (mortgage finance bonds) cannot be more than 80% of the lower of the purchase price or the appraised value of the mortgaged property; otherwise, such loans are classified as commercial loans. Letters of credit (mortgage finance bonds) are general unsecured obligations in respect of which we are liable for all principal and interest accrued thereon. In addition, if the issuer of a letter of credit (mortgage finance bond) becomes insolvent, the New General Banking Law's liquidation procedures provide that these types of mortgage loans with their corresponding letters of credit (mortgage finance bonds) are to be auctioned as a unit and the acquirer must continue paying the letters of credit (mortgage finance bonds) under the same conditions as the original issuer.

Other mortgage mutual loans mainly include mortgage loans (fixed and variable rate) that are inflation-indexed long-term loans with monthly payments of principal and interest secured by a real property mortgage. These are financed by our general borrowings.

Consumer Loans

Installment consumer loans are loans to individuals, granted in Chilean pesos, generally on a fixed rate nominal basis, to finance the purchase of consumer goods or to pay for services.

Consumer loans through lines of credit are checking overdraft lines to individuals, granted in Chilean pesos, generally on a fixed rate nominal basis and linked to an individual's checking account.

Credit card loans include credit card balances subject to nominal fixed rate interest charges.

Consumer leasing contracts are agreements for the financial leasing of automobiles and other property to individuals.

Non-customer Loans

Loans and advances to banks are fixed rate, short-term loans to financial institutions that operate in Chile.

Maturity of Loans as of December 31, 2024

The following table sets forth an analysis by type and time remaining to maturity of our loans as of December 31, 2024.

	Due 1 year or less	Due after 1 year but within 5 years	Due after 5 years	Balance as of December 31, 2024
	(*in millions of nominal Ch$*)			
Commercial loans	7,518,241	5,176,164	1,487,452	**14,181,857**
Mortgage loans	688,903	2,777,114	10,692,741	**14,158,759**
Consumer loans	2,227,361	2,024,598	124,798	**4,376,756**
Loans and advances to banks	1,565	-	-	**1,565**
Total	**10,436,070**	**9,977,876**	**12,304,991**	**32,718,937**

The following tables present, as of December 31, 2024, the amount of outstanding loans (exclusive of contingent loans) due after one year exposed to interest rate.

	As of December 31, 2024
	(*in millions of nominal Ch$*)
Variable rate	
Ch$	1,149,252
UF	3,408,599
Foreign currency	4,616,178
Subtotal	**9,174,029**
Fixed rate	
Ch$	7,678,202
UF	15,423,940
Foreign currency	295,248
Subtotal	**23,397,390**
Total	**32,571,419**

Characteristics of the Portfolio

The following tables sets forth, as of the dates indicated, an analysis of our loan portfolio based on the borrower's principal economic activity. Loans to individuals for business purposes are allocated to their respective economic activity. The table does not reflect outstanding contingent loans.

	As of December 31,					
	2024		2023		2022	
	(*in millions of nominal Ch$*)	**% of Total Loans**	(*in millions of nominal Ch$*)	**% of Total Loans**	(*in millions of nominal Ch$*)	**% of Total Loans**
Commercial loans						
Agriculture and livestock	385,928	1.18%	394,887	1.23%	463,597	1.39%
Sowing and harvesting of fruits	22	0.00%	-	0.00%	-	-
Forestry	76,605	0.23%	46,418	0.14%	56,669	0.17%
Fishing	90,465	0.28%	67,624	0.21%	121,439	0.37%
Mining	416,149	1.27%	333,953	1.04%	221,049	0.67%
Oil and natural gas	320	0.00%	743	0.00%	141,324	0.43%
Product manufacturing industry						
Food, beverages and tobacco	537,515	1.64%	524,023	1.63%	668,495	2.01%
Textile, leather and footwear	21,812	0.07%	19,866	0.06%	32,185	0.10%
Wood and furniture	66,057	0.20%	60,971	0.19%	56,213	0.17%
Cellulose, paper and printing	76,529	0.23%	67,499	0.21%	84,147	0.25%
Chemical and petroleum derivatives	246,207	0.75%	289,810	0.90%	294,489	0.89%
Metallic, non-metallic, machinery and others.	603,301	1.84%	741,687	2.31%	731,368	2.20%
Electricity, gas and water	1,260,009	3.85%	1,382,505	4.30%	1,389,843	4.18%
Home building	293,245	0.90%	346,875	1.08%	326,522	0.98%
Non-residential constructions	222,815	0.68%	221,437	0.69%	214,688	0.65%
Wholesale trade	1,468,608	4.49%	1,143,939	3.56%	1,463,237	4.40%
Retail trade, restaurants and hotels	473,077	1.45%	412,498	1.28%	488,957	1.47%
Transport and storage	638,642	1.95%	651,940	2.03%	733,428	2.21%
Telecommunications	671,534	2.05%	643,127	2.00%	711,893	2.14%
Financial services(1)	1,308,268	4.00%	1,291,934	4.10%	2,357,161	7.09%
Business services	-	0.00%	-	0.00%	-	-
Real estate services	3,138,271	9.59%	3,115,722	9.70%	2,831,688	8.52%
Student loans	526,387	1.61%	638,793	1.99%	700,395	2.11%
Public administration, defense and police	32,180	0.10%	17,130	0.05%	23,460	0.07%
Social services and other community services	599,516	1.83%	687,432	2.14%	723,029	2.18%
Personnel services	1,028,395	3.14%	966,554	3.01%	957,508	2.88%
Subtotal Commercial Loans	14,181,857	43.34%	14,092,605	43.86%	15,792,784	47.52%
Mortgage loans	14,158,759	43.27%	13,891,712	43.23%	13,584,141	40.87%
Consumer loans	4,376,756	13.38%	4,147,251	12.91%	3,858,696	11.61%
Total loans	**32,718,937**	**100.00%**	**32,131,568**	**100.00%**	**33,235,621**	**100.00%**

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(1) Does not include loans and advances to banks.

Foreign Country Exposure

Our cross-border outstanding loans are principally trade-related. These loans include loans to foreign financial institutions and foreign corporations, some of which are guaranteed by their Chilean parent company. The table below lists the total amounts outstanding by borrowers in foreign countries at the end of each of the last three years, and thus does not include foreign trade-related loans to domestic borrowers.

	As of December 31,		
	2024	**2023**	**2022**
Argentina	10,451	1,039	1,619
Brazil	-	-	-
Colombia	233	440	64
Ecuador	114,708	100,797	98,018
Spain	24,013	21,109	20,517
Peru	6,011	1,315	964
Puerto Rico	-	-	-
United Kingdom	-	-	103,111
Denmark	-	-	43,239
United States	71,216	150,913	60,201
Total	**226,632**	**275,614**	**327,733**

We also maintain deposits abroad (primary demand deposits), as needed to conduct our foreign trade transactions and manage liquidity. The table below lists the amounts of foreign deposits by country at the end of the past three years.

	As of December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$*)		
Australia	307	-	1,639
Mexico	8,256	494	3,084
Belgium	965	6,072	5,598
Canada	5,001	6,171	5,947
Denmark	-	-	-
United States	142,622	344,820	596,846
Hong Kong	7	4	75
Italy	-	-	-
Japan	237	400	1,760
Norway	2	275	99
Peru	5	5	6
United Kingdom	977	3,253	6,347
Sweden	1	3	733
Switzerland	1,710	1,266	444
Other	4,421	4,359	5,487
Total	**164,511**	**367,122**	**628,065**

Analysis of Substandard Loans and Amounts Past-Due

The following tables provide statistical data regarding the classification of our loans at the end of each of the last three years. As discussed below, our risk analysis system requires that loans to all customers be evaluated and classified, including past-due and contingent loans.

	As of December 31, 2024		
Category	**Loans and advances to banks**	**Loans and accounts receivables from customers**	**Total**
		(*in millions of nominal Ch$*)	
Individual			
A1	1,305	123,229	124,534
A2	260	3,076,614	3,076,874
A3	-	1,870,849	1,870,849
A4	-	2,439,669	2,439,669
A5	-	2,081,241	2,081,241
A6	-	1,313,304	1,313,304
B1	-	230,966	230,966
B2	-	213,071	213,071
Impaired portfolio	-	898,812	898,812
Group			
Normal	-	19,219,377	19,219,377
Impaired	-	1,250,240	1,250,240
Total	1,565	32,717,372	32,718,937

	As of December 31, 2023		
Category	**Loans and advances to banks**	**Loans and accounts receivables from customers**	**Total**
		(*in millions of nominal Ch$*)	
Individual			
A1	12,354	74,070	86,424
A2	12,884	3,038,669	3,051,553
A3	-	1,888,887	1,888,887
A4	-	3,132,862	3,132,862
A5	-	1,513,352	1,513,352
A6	-	1,198,532	1,198,532
B1	-	355,502	355,502
B2	-	221,290	221,290
Impaired portfolio	-	648,555	648,555
Group			
Normal	-	18,951,175	18,951,175
Impaired	-	1,083,436	1,083,436
Total	**25,238**	**32,106,330**	**32,131,568**

	As of December 31, 2022		
Category	**Loans and advances to banks**	**Loans and accounts receivables from customers**	**Total**
		(*in millions of nominal Ch$*)	
Individual			
A1	58,819	115,901	174,720
A2	7,893	4,299,232	4,307,125
A3	125	2,260,843	2,260,968
A4	-	4,072,804	4,072,804
A5	-	1,399,907	1,399,907
A6	-	824,743	824,743
B1	-	237,273	237,273
B2	-	85,938	85,938
Impaired portfolio	-	345,632	345,632
Group			
Normal	-	18,757,121	18,757,121
Impaired	-	769,390	769,390
Total	**66,837**	**33,168,784**	**33,235,621**

Classification of Loan Portfolio Based on the Borrower's Payment Performance

Accrued interest and UF indexation adjustments from overdue loans are recognized only when, and to the extent, received. Non-performing loans, under categories C3, C4, C5 and C6, include loans as to which either principal or interest is overdue, and which do not accrue interest except for certain loans where more than 80% of our exposure under the loan is secured. Restructured loans as to which payments are not overdue are not ordinarily classified as non-performing loans. Notwithstanding the foregoing, those loans that were restructured with overdue for 60 or more days and with all the installments after the restructuring up to date are classified as impaired loans. Past-due loans include, with respect to any loan, only the portion of principal or interest that is overdue for 90 or more days, and do not include the installments of such loan that are not overdue or that are overdue for less than 90 days, unless legal proceedings have been commenced for the entire outstanding balance according to the terms of the loan, in which case the entire loan is considered past-due within 90 days of the beginning of such proceedings.

The term for charging-off loans must now be calculated from the beginning of arrears. Once the applicable term is reached, the entire loan must now be charged-off (not just the portion in arrears). The following is a table showing the principal types of loans and their respective terms for mandatory write-offs as stipulated by the new accounting standards.

Loan	Term
Consumer loans	6 months
Other loans without collateral	24 months
Commercial loans with collateral	36 months
Residential mortgage loans	48 months

We may write off any loan (commercial or consumer) before the first installment becomes overdue only in accordance with special procedures established by the CMF. In certain circumstances we must write off an overdue loan (commercial or consumer) sooner than the terms set forth above. Loans are written off against the credit loss reserve to the extent of any required allowances for such loans; the remainder of such loans is written off against income.

In general, legal collection proceedings are commenced with respect to consumer loans once they are overdue for 90 days and, with respect to mortgage loans, once they are past-due for 180 days. Legal collection proceedings are always commenced within one year of such loans becoming past-due, unless we determine that the size of the past-due amount does not warrant such proceedings. In addition, the majority of our commercial loans are short-term, with single payments at maturity.

The following table sets forth as of December 31 of each of the last three years the loan amounts that are current as to payments of principal and interest and the amounts overdue.

	Total Loans		
	As of December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Current	30,398,524	29,862,932	31,474,580
Overdue 1-29 days	911,219	983,108	813,150
Overdue 30-89 days	634,940	590,942	489,731
Overdue 90 days or more ("past-due")	774,254	694,586	458,160
Total loans	32,718,937	**32,131,568**	**33,235,621**
Overdue loans expressed as a percentage of total loans	7.09%	7.06%	5.30%
Past-due loans as a percentage of total loans	2.37%	2.16%	1.38%

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 consolidated statements of financial position and no income for these items will be recognized in the consolidated statements of income, unless they are effectively received. The amount of interest that would have been recorded on overdue loans if they had been accruing interest was Ch$26,520 million for the year ended December 31, 2024.

Loans included in the previous table, which have been restructured and accrue no interest, are as follows.

	Total Loans		
	As of December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$*)		
Ch$	353,298	234,903	115,967
Foreign Currency	—	—	—
UF	46,179	38,959	31,557
Total loans	399,477	**273,862**	**147,524**

In addition, other loans that have been restructured, mainly through the extension of their maturities, and that accrue interest are as follows.

	Total Loans		
	As of December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$*)		
Total other restructured loans	**516,716**	**492,343**	**354,663**

Analysis of Substandard Loans and Amounts Past-Due

The following table analyzes our substandard loans, past-due loans and allowances for credit losses existing as of the dates indicated. In particular, all of the restructured loans are included in total loans and only a small proportion of these loans are substandard or past-due, with the majority being classified in the normal category.

	Total Loans		
	As of December 31,		
	2024	**2023**	**2022**
	(in millions of nominal Ch$, except for percentages)		
Total loans	32,718,937	32,131,568	33,235,621
Substandard loans	838,163	876,217	432,225
Substandard loans as a percentage of total loans	2.56%	2.73%	1.30%
Amounts past-due			
To the extent secured [(1)]	309,163	317,637	245,517
To the extent unsecured	465,091	376,949	212,643
Total amount past-due [(2)]	**774,254**	**694,586**	**458,160**
Amounts past-due as a percentage of total loans	2.37%	2.16%	1.38%
To the extent secured [(1)]	0.94%	0.99%	0.74%
To the extent unsecured	1.42%	1.17%	0.64%
Allowances for credit losses as a percentage of:			
Total loans	2.33%	2.20%	1.79%
Total amounts past-due	98.44%	101.72%	130.20%
Total amounts past-due unsecured	163.87%	187.44%	280.54%

(1) Secured generally consists of mortgages on real estate, pledges of marketable securities, letters of credit or cash.
(2) Presented in accordance with reporting requirements of the CMF and including the entire principal amount and accrued but unpaid interest on loans for which either principal or interest is past-due for 90 days or more.

Analysis of Allowances for Credit Losses

The following table analyzes our allowances for credit losses and changes in the allowances attributable to write-offs, new allowances and provisions released.

	As of December 31,		
	2024[(1)]	**2023**[(1)]	**2022**[(1)]
	(in millions of nominal Ch$, except for percentages)		
Allowances for credit losses at beginning of period	706,523	596,532	445,155
Write-offs	(474,741)	(384,744)	(229,569)
Allowances established	993,811	893,625	774,618
Allowances released	(463,429)	(398,890)	(393,672)
Allowances for credit losses at end of period	**762,164**	**706,523**	**596,532**
Ratio of write-offs to average loans	1.47%	1.18%	0.73%
Allowances for credit losses at end of period as a percentage of total loans	2.33%	2.20%	1.80%

(1) Does not include loans and advances to banks.

Our policy with respect to write-offs follows the regulations established by the CMF. Under these regulations, (i) secured or unsecured consumer loans must be written off not more than six months after the loan is overdue, (ii) other unsecured loans, or parts thereof, must be written off not more than 24 months after the loan is overdue, (iii) other secured loans must be written off within 36 months after the loan is overdue and (iv) mortgage loans must be written off within 48 months after the loan is overdue.

The following table presents detailed information on write-offs and shows the write-offs breakdown by loan category.

	As of December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$, except for percentages*)		
Commercial loans	101,815	72,131	54,800
Mortgage loans	5,516	7,913	7,394
Consumer loans	367,410	304,700	167,375
Total	474,741	**384,744**	**229,569**

Loan recoveries by type of loan are shown in the table below.

	As of December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$, except for percentages*)		
Commercial loans	22,420	18,835	19,353
Mortgage loans	6,882	7,625	6,346
Consumer loans	50,126	49,768	44,281
Subtotal	79,428	76,228	69,980
Contingent loans	—	—	—
Total	79,428	**76,228**	**69,980**

Allocation of Allowances for Credit Losses

The following tables set forth, as of December 31 of each of the last three years, the proportions of our required allowances for credit losses attributable to our commercial, consumer and residential mortgage loans, category at each such date.

	2024			
	Allowance amount (1)	**Allowance amount as a percentage of loans in category**	**Allowance amount as a percentage of total loans**	**Loans in category as percentage of total loans (2)**
Commercial loans	377,086	2.67%	1.16%	43.34%
Mortgage loans	47,204	0.33%	0.14%	43.27%
Consumer loans	337,874	7.72%	1.03%	13.38%
Subtotal	762,164	10.72%	2.33%	100.00%
Loans and advances to banks	1	0.06%	0.00%	0.00%
Total allowances	762,165	10.78%	2.33%	100.00%

	2023			
	Allowance amount (1)	Allowance amount as a percentage of loans in category	Allowance amount as a percentage of total loans	Loans in category as percentage of total loans (2)
Commercial loans	328,592	2.34%	1.02%	43.78%
Mortgage loans	45,369	0.33%	0.14%	43.23%
Consumer loans	332,562	8.02%	1.04%	12.91%
Subtotal	706,523	10.68%	2.20%	99.92%
Loans and advances to banks	15	0.06%	0.00%	0.08%
Total allowances	**706,538**	**10.74%**	**2.20%**	**100.00%**

	2022			
	Allowance amount (1)	Allowance amount as a percentage of loans in category	Allowance amount as a percentage of total loans	Loans in category as percentage of total loans (2)
Commercial loans	304,772	1.94%	0.92%	47.32%
Mortgage loans	39,650	0.29%	0.12%	40.87%
Consumer loans	252,110	6.53%	0.76%	11.61%
Subtotal	596,532	8.76%	1.79%	99.80%
Loans and advances to banks	7	0.01%	0.00%	0.20%
Total allowances	**596,539**	**8.77%**	**1.79%**	**100.00%**

(1) In millions of nominal Ch$.
(2) Based on our loan classification.

Composition of Deposits and Other Commitments

The following table sets forth the composition of our deposits and similar commitments as of December 31, 2024, 2023 and 2022.

	December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$*)		
Deposits and other on-demand liabilities			
Checking accounts	4,362,568	3,872,151	3,965,561
Demand deposit accounts	293,755	299,920	379,377
Other on-demand deposits	180,764	149,927	133,033
Obligations for fund provision accounts for payment cards	—	—	—
Other on-demand obligations	768,904	528,698	598,488
Total deposits and other on-demand liabilities	**5,605,991**	**4,850,696**	**5,076,459**
Term and other on-demand deposits:			
Term deposits	13,031,191	13,080,930	13,866,230
Term saving accounts	99,399	100,438	106,158
Other balances	—	—	—
Total term and other on-demand deposits	**13,130,590**	**13,181,368**	**13,972,388**
Total deposits	**18,736,581**	**18,032,064**	**19,048,847**

Maturity of Deposits

The following table sets forth a breakdown of the currency and maturity of our deposits as of December 31, 2024, expressed in percentages. UF-denominated deposits are similar to Chilean peso-denominated deposits in all respects, except that the principal is readjusted periodically based on variations in the Chilean Consumer Price Index.

	Ch$	UF	Foreign Currency	Total
Current accounts and other demand deposits	34.08%	29.17%	16.56%	29.92%
Savings accounts	0	16.20%	0	0.53%
Term deposits:	0	0	0	0
Maturing within three months	48.52%	29.04%	33.46%	44.44%
Maturing after three but within six months	8.30%	5.51%	13.21%	9.33%
Maturing after six but within 12 months	6.63%	16.34%	12.32%	8.25%
Maturing after 12 months	2.48%	3.73%	24.45%	7.54%
Total term deposits	65.92%	54.62%	83.44%	69.55%
Total deposits	**100.00%**	**100.00%**	**100.00%**	**100.00%**

The following table sets forth the currency and maturity of our deposits in excess of U.S.$100,000 as of December 31, 2024.

	Ch$	UF	Foreign Currency	Total
	(*in millions of nominal Ch$*)			
Term deposits:				
Maturing within three months	4,712,685	149,188	1,360,419	6,222,292
Maturing after three but within six months	1,113,902	29,739	560,806	1,704,447
Maturing after six but within 12 months	898,982	97,405	525,678	1,522,065
Maturing after 12 months	343,149	22,462	1,045,150	1,410,761
Total term deposits	**7,068,718**	**298,794**	**3,492,053**	**10,859,565**

Return on Equity and Assets

The following table sets forth the return on equity and assets as of December 31, 2024, 2023 and 2022.

	Year Ended December 31,		
	2024	2023	2022
	(*in millions of nominal Ch$, except for percentages*)		
Consolidated profit for the year	457,323	416,565	515,056
Average total assets	44,845,252	45,708,322	44,203,814
Average equity	3,558,357	3,237,393	2,716,409
Equity	3,847,341	3,574,978	3,187,318
Consolidated profit for the year as a percentage of:			
Average total assets	1.02%	0.91%	1.17%
Average equity	11.89%	11.65%	16.16%
Cash dividends paid (1)	122,388	146,260	169,754
Dividends paid (2)	29.38%	28.40%	37.72%
Average equity and average total assets	0.94%	0.85%	1.10%

(1) Cash dividends are stated in the year they were approved by the shareholders meeting upon the proposal of the Board of Directors.
(2) Determined as a ratio between the dividends approved by the shareholders and consolidated profit for the year to which the dividend relates.

Short-term Borrowings

The following table sets forth the short-term borrowings as of December 31, 2024, 2023 and 2022.

	As of December 31,					
	2024		2023		2022	
	Amount	Weighted Average Nominal Interest Rate	Amount	Weighted Average Nominal Interest Rate	Amount	Weighted Average Nominal Interest Rate
	(*in millions of nominal Ch$, except for rate data*)					
Investments sold under repurchase agreements and securities lending:						
Total balance at period-end	501,243	(5.91)%				
Annual average	293,131		163,647	10.07%	205,943	8.45%
Maximum monthly balance	586,016		170,325		241,621	
Borrowings from domestic financial institutions:			300,731		390,207	
Total balance at period-end	100,028	0.73%				
Annual average	1,118,014		3,030,026	0.55%	3,030,026	0.58%
Maximum monthly balance	3,180,069		3,048,372		3,046,700	
Foreign interbank borrowings:			3,150,063		3,130,065	
Total balance at period-end	981,699	6.69%				
Annual average	1,036,988		952,598	6.31%	877,789	2.48%
Maximum monthly balance	1,118,493		861,152		1,200,983	
Foreign trade borrowings:			952,598		1,447,319	
Total balance at period-end	1,373,429	5.75%				
Annual average	1,434,625		1,386,023	5.73%	1,434,398	2.18%
Maximum monthly balance	1,642,883		1,480,670		1,348,364	
Other obligations:			1,681,966		1,607,423	
Total balance at period-end	1,124,695	4.20%				
Annual average	1,047,545		1,133,889	3.91%	1,126,815	3.91%
Maximum monthly balance	1,231,177		1,168,985		926,281	
Total short-term borrowings	4,637,172		1,265,047		1,126,815	

MANAGEMENT AND SHAREHOLDERS

Board of Directors

The overall management and supervision of the Bank is undertaken by its Board of Directors. The Board of Directors is empowered to direct, manage and supervise, under its collective responsibility, the affairs of the Bank. The Board of Directors, in accordance with the Bank's by-laws, consists of seven directors and one alternate director who are elected at the Bank's ordinary shareholders' meetings. Following this change, Scotiabank Chile became the only private bank in Chile with gender parity in its Board of Directors.

The table below sets out the members of the Board of Directors as of the date of this Offering Circular.

	Board Member Since	Position	Committee Memberships
Salvador Said Somavía	2018	Chairman	Risk committee
Emilio Deik Morrison	2019	Vice Chairman	Risk and Audit committee
Gonzalo Said Handal	2018	Director	Audit committee
Fernanda Vicente Mendoza	2017	Director	-
Raquel Costa	2023	Director	-
Karen Ergas Segal	2019	Director	Audit committee
Francisco Matte Risopatrón	2023	Director	Risk committee
Thayde Olarte	2023	Alternate Director	-

The business address of the members of the Board of Directors is Avenida Costanera Sur No. 2710, Torre A, Las Condes, Santiago, Chile, postal code 7550692, which is the executive office of the Bank.

The following is a brief description of the business experience of each of the members of the Board of Directors.

Salvador Said Somavía. Mr. Said Somavía serves as the Chairman of the Board of Directors of Scotiabank Chile. He is a commercial engineer, with a degree in business administration from Universidad Gabriela Mistral and has over 35 years of professional experience in the banking industry. Mr. Said Somavía also serves as a member of the board of Embotelladora Andina S.A., Parque Arauco S.A. and Energía Llaima SpA. In addition, he participates in non-profit organizations focused on entrepreneurship, such as Endeavor Chile, and is an advisor to the Center for Public Studies (CEP).

Emilio Deik Morrison. Mr. Deik serves as the Vice Chairman of the Board of Directors of Scotiabank Chile. Mr. Deik is an independent director. He holds a degree in industrial engineering from Pontificia Universidad Católica de Chile and has over 25 years of professional experience in the training, management and development of technology and telecommunications sectors. Mr. Deik is a founding partner of Azurian, a company specialized in consulting and developing specialized software services, and Celcompra, a company specialized in software solutions based on IP telephony. He is a member of the Board of Directors of the Digital Transformation Program at Universidad de Los Andes.

Gonzalo Said Handal. Mr. Said Handal serves as a member of the Board of Directors of Scotiabank Chile. He holds a degree in business administration with specialization in finance, best practices and corporate governance from Universidad Gabriela Mistral. Mr. Said Handal is a director at SOFOFA and at Fundación Generación Empresarial and serves as a member of the board of Embotelladora Andina S.A., Energía Llaima SpA and at Holding Empresas Said Handal.

Fernanda Vicente Mendoza. Ms. Vicente serves as a member of the Board of Directors of Scotiabank Chile. Ms. Vicente holds a degree in journalism from Diego Portales University and a master's degree in innovation from the Pontificia Universidad Católica de Chile. She also has postgraduate studies in communicational marketing and marketing for information technology products and services from the

University of California. Ms. Vicente is the president of Mujeres del Pacífico, a non-profit organization that promotes entrepreneurship among women from the Pacific Alliance countries, and also a co-founder of various entities, such as the crowdfunding platform 101 Monkeys, the Kodea Foundation and the fintech company Adah, a platform and community to help women manage their finances and access to the financial system.

Raquel Costa. Ms. Costa serves as member of the Board of Directors of Scotiabank Chile. She holds a degree in electronic engineering from University of Pernambuco. Ms. Costa has over 20 years of experience in the financial industry and has since 2019 served as Senior Vice President of Scotiabank's International Wealth Management. Before joining Scotiabank, Ms. Costa served as Head of Customers and Core Banking for the wealth management division of HSBC in Mexico, Senior Vice President for Banco Santander in United States and Director of Consumer segment for Banco Santander Brazil.

Karen Ergas Segal. Ms. Ergas serves as a member of the Board of Directors of Scotiabank Chile. Ms. Ergas holds a degree in business administration from Universidad de Chile, where she majored in economics. She has served in various roles in treasury and international banking at Banco de Chile and Banco del Estado de Chile. Ms. Ergas has also served as a professor at the Faculty of Economics of University de Chile and at the Adolfo Ibáñez University. She is also a member of the Board of Directors of Paz Corp S.A., Molibdenos y Metales S.A. and the Institute of Directors of Chile.

Francisco Matte Risopatrón. Mr. Matte serves as a member of the Board of Directors of Scotiabank Chile. Mr. Matte holds a business administration degree and a master's degree in economics from the Pontificia Universidad Católica de Chile. He also holds a master's degree in management and a master's degree in public policy from Stanford University. He was the representative of Chile in the World Bank between 2020 and 2022 and serves as Managing Director for Toesca S.A., an asset manager specialized in alternative investments in Latin America. He is also a professor in the MBA program of the Pontificia Universidad Católica de Chile.

Thayde Olarte. Ms. Olarte serves as a member of the Board of Directors of Scotiabank Chile. She holds a degree in economics from the Universidad Central Venezuela and an MBA degree with a specialty in Finance and Management of Financial Services from the Metropolitan University of Venezuela. Ms. Olarte joined the Scotiabank Group in 2014 as Regional Director of Retail Risk for International Markets and in 2016 became Vice President of Fintech Alliances, Innovation and Digital Banking in Toronto. Before joining Scotiabank, she worked with Citibank Venezuela, Grupo Financiero Bolivar, Grupo Financiero Cedel, Santander and Mastercard.

Senior Management

The executive officers of the Bank, subject to control and supervision of the Board of Directors, collectively have direct charge of the business activities of the Bank. They are responsible for the implementation of the policies set by the Board of Directors.

The table below sets out the members of the Bank's Executive Board as of the date of this Offering Circular.

	Executive Board Member Since	Position
Diego Masola	2021	Executive Vice President, CEO & Country Head
Victor Carpio	2020	Senior Vice President and Chief Risk Officer
Gabriel Morgan	2020	Vice President AML & Internal Controls
Rafael Bilbao Deramond	2014	Vice President Legal
Francisco Palma	2024	Vice President of Technology and Systems
Elizabeth Valenzuela	2021	Vice President, Chief Auditor
María Fernanda Brignoni	2024	Vice President of Human Resources and Corporate Affairs
Juan Carlos Cavallini	2023	Vice President & Senior Client Officer
Luis Álvarez Perazzo	2022	Senior Vice President and CFO
Luis Felipe Irarrázaval	2023	Managing Director & Head of Corporate Banking and Capital Markets
Jorge Lesser	2023	Managing Director & Head of Commercial Banking & Real Estate
Mauricio Pelta	2024	Head of Retail Banking
Ignacio Ruiz-Tagle	2021	Vice President Wealth Management
Carolina González	2024	Vice President of Operations

The following is a brief description of the business experience of each of the members of the Bank's Executive Board.

Diego Masola. Mr. Masola is the CEO & Country Head of Scotiabank Chile. He holds a degree in public accounting from Universidad Nacional de Mar del Plata and an MBA degree in Marketing from Universidad Nacional del Centro de la Provincia de Buenos Aires and Universidad Federal Rio Grande do Sul. Mr. Masola has more than 30 years of experience in the banking industry and, after joining the Bank over 23 years ago, held multiple senior positions within The Bank of Nova Scotia.

Victor Carpio. Mr. Carpio serves as Senior Vice President and Chief Risk Officer of Scotiabank Chile. He holds a degree in economics from Universidad del Pacífico in Lima, Peru and an MBA degree from Queen's University. He serves as President of the Diversity, Equity & Inclusion Committee of Chile. Mr. Carpio began his career at Scotiabank Peru in 2004. In 2008 he moved to the group headquarters in Toronto, Canada, holding various positions in the Global Risk Management (GRM) unit. In 2017, he assumed the position of Head of Corporate and Commercial Banking Center in Puerto Rico and in 2018 he became Vice President of Corporate and Commercial Risk of Scotiabank Chile.

Gabriel Morgan. Mr. Morgan serves as Vice President of Anti-Money Laundering and Internal Controls of Scotiabank Chile. He holds a degree in business administration from Universidad de Chile. Mr. Morgan has over 30 years of banking experience having held various senior positions in risk, operations and internal audit areas within the Scotiabank Chile Group. Previously, he served as Chief Operating Officer at Cencosud Scotiabank and at Scotiabank Chile as Regional Audit Director (LATAM), Director of Credit Services, Business Support Manager, Credit Manager and Branch Manager at Scotiabank Chile & South American Bank. Since September 2021, Mr. Morgan has been a member of the board of directors of the Cencosud Scotiabank subsidiary.

Rafael Bilbao Deramond. Mr. Bilbao serves as Vice President Legal of Scotiabank Chile. He holds a law degree from Pontificia Universidad Católica de Chile and also has a postgraduate degree in economics and finance from Universidad de Chile, and a degree in enterprise financing and treasury products and derivatives from Universidad Finis Terrae. Mr. Bilbao also has a Master of Laws degree in economics and finance and an MBA degree from Universidad Gabriela Mistral and Universitat de Lleida (Spain). From 2007 to 2010, Mr. Bilbao served as Head of Legal for wholesale businesses at Scotiabank Chile.

Francisco Palma. Mr. Palma is Vice President of Technology and Systems at Scotiabank Chile. He is a computer engineer from Universidad Técnica Federico Santa María and has 17 years of experience leading development projects in the banking industry. Prior Scotiabank, Mr. Palma worked at Tuxpan Software S.A. and Tata Consultancy Services. Before being appointed Vice President of Technology and Systems, Mr. Palma served as Director of Product Origination Platform Development, Director of Agile PMO and Director of Digital Platforms and CORE Development, QA and Automation.

Elizabeth Valenzuela. Ms. Valenzuela serves as Vice President and Chief Auditor of Scotiabank Chile. She holds a degree in public accounting and audit from Universidad Diego Portales as well as studies in comprehensive risk management and in information security, both at Universidad de Chile. Ms. Valenzuela has over 20 years of experience in the banking industry. She joined Banco del Desarrollo in 2005 as Chief Internal Auditor and was subsequently appointed as Operational Risk Manager and then served as Product Director on the Retail Division. Prior to Banco del Desarrollo, Ms. Valenzuela held the position of Senior Advisor Auditor at Deloitte.

María Fernanda Brignoni. Ms. Brignoni is Vice President of Human Resources and Corporate Affairs at Scotiabank Chile. She is a psychologist, certified ontological coach and holds a master's degree in human resources from IEBS – Universidad Católica of Murcia. Ms. Brignoni joined Scotiabank in 2013 as Director of Human Resources, Communication and CSR in Uruguay, where she was subsequently appointed as Global Director of Labor and Employee Relations for the region. Prior to this, she served as Human Resources Director of Banque Heritage Uruguay, Mosca held S.A. and Ta-Ta S.A.

Juan Carlos Cavallini. Mr. Cavallini serves as Vice President & Senior Client Officer, Multinational Banking. He holds a degree in industrial civil engineering from Pontificia Universidad Católica de Chile and has over 35 years of experience in the financial industry. Mr. Cavallini has worked at Scotiabank Chile since 2015 and has held positions as Vice President of Corporate Banking and Corporate Finance, as Vice President of Corporate & Investment Banking. Prior to this, he worked at Citibank and Banco de Chile.

Luis Álvarez Perazzo. Mr. Álvarez serves as Senior Vice President and Chief Financial Officer of Scotiabank Chile. He holds an accounting degree from Universidad de la República in Uruguay and an MBA degree from the University of Montevideo where he has been a lecturer since 2007. Before joining Scotiabank Chile in 2022, Mr. Álvarez served as Vice President, Chief Financial Officer and Head of Operations at Scotiabank Uruguay.

Luis Felipe Irarrázaval. Mr. Irarrázaval serves as Managing Director & Head of Corporate Banking and Capital Markets of Scotiabank Chile. He holds a degree in industrial civil engineering from Pontificia Universidad Católica de Chile. Mr. Irarrázaval has over 20 years of experience in the financial sector, mainly in corporate and investment banking. Mr. Irarrázaval began his career at BBVA, where he worked until 2018 and held various leadership positions.

Jorge Lesser. Mr. Lesser serves as Managing Director & Head Commercial Banking & Real Estate. He holds a degree in economy from Pontificia Universidad Católica de Chile. Mr. Lesser began his career at BBVA, where he worked for almost 10 years, a period in which he held various positions, including as Vice President – Head of Debt Capital Markets Chile of BBVA Asesorías Financieras.

Mauricio Pelta. Mr. Pelta serves as Head of Retail Banking. He holds a degree in public accounting from Universidad de la República and has a degree in finance from Universidad Católica del Uruguay. Mr. Pelta has more than 30 years of experience in different areas of the banking industry. Prior to his current role, he headed Retail Banking at Scotiabank Dominican Republic and Uruguay. Mr. Pelta joined Scotiabank in 2015 after serving as Country Head & CEO of Discount Bank in Uruguay.

Ignacio Ruiz-Tagle. Mr. Ruiz-Tagle serves as Vice President of Wealth Management of Scotiabank Chile. He holds a business degree from the Universidad de Los Andes in Santiago as well as an MBA from the IESE Business School. Mr. Ruiz-Tagle joined Scotiabank Chile in 2021 prior to which he served as Managing Director of Wealth Management in Credicorp Capital and served as director at Corpbanca, Credicorp and AFP Cuprum. Mr. Ruiz-Tagle is President of the Association of Friends of the Nocedal Foundation and a professor at Colegio Cordillera.

Carolina González. Ms. González is Vice President of Operations at Scotiabank Chile. She has a degree of Commercial Engineer from Universidad de Chile. Ms. González has more than 25 years of experience in the financial services sector. Prior to joining Scotiabank, she served as Operations Division Manager at Banco Internacional and held the position of Director of Operations Sales & Trading / ALM in Scotiabank.

Major Shareholders

The Bank of Nova Scotia, the Bank's controlling shareholder, controls the Bank through its subsidiary Nova Scotia Inversiones Limitada. As of the date of this Offering Circular, Nova Scotia Inversiones Limitada has control over 99.80% of the Bank's shares.

On February 28, 2022, the Bank announced that The Bank of Nova Scotia reached an agreement with Inversiones Caburga Limitada, Inversiones del Pacífico, Inversiones Santa Virginia Limitada, Inversiones Corinto SpA, Inversiones Valparaiso SpA and Inversiones SH Seis Limitada (the "Said Group") to purchase the Said Group's 16.76% holding in the Bank for a combination of cash and common shares to be issued by The Bank of Nova Scotia. Following the completion of this transaction in April 2022, after the related regulatory approvals were obtained, the ownership share of The Bank of Nova Scotia in the Bank reached 99.80%. The transaction was valued at approximately CAD 1,300 million. At closing, The Bank of Nova Scotia paid to the Said Group CAD 650 million in cash and issued seven million common shares to the Said Group.

Following the completion of the transaction, the Said Group became a shareholder of The Bank of Nova Scotia, while at the same time maintained its representation in the Board of Directors of the Bank.

RISK MANAGEMENT

Risk Management Structure

The main objectives of the Bank's risk management are to guarantee that the results of the activities that imply assuming a risk are consistent with the Bank's strategies and risk appetite and that adequate balance exists between the risk and benefit in order to maximize the value for the shareholders. The Bank has a risk control structure which is well established and includes the Board of Directors, which is supported by an experienced senior management team. Decision-making is centralized in several committees related to risk management.

The Bank's risk management is supported by the three lines of defense model. The first line of defense assumes risks and manages it, whereas the second line of defense provides independent supervision and an objective challenge for the first line of defense, as well as supervision and risk control. The Internal Audit (the third line of defense) provides independent assurance at the institutional level on the design and operation of the Bank's internal control, risk management and control processes through the first and second lines of defense.

In this risk control structure, employees in each area within the organization are responsible for managing risks.

Board of Directors

Because the Board of Directors is the highest level in the Bank's risk management structure, it provides supervision, either directly or through its committees, to ensure that decisions made are consistent with the Bank's strategies and risk appetite. The Board of Directors receives regular updates on key risks, including a summary of the Bank's risk profile and the performance of the portfolio compared to the goals established and the key risk policies approved, limits on, among others, credit risk and market risk and the risk appetite framework.

The Bank's risk management committees include:

- Risk Committee

  The Risk Committee helps the Board of Directors of Scotiabank Chile with the supervision of risk management including institutional risk, credit risk, market risk and operational risk to which Scotiabank Chile is exposed to in an effort to improve the ease of its monitoring and oversight. It also provides the Board of Directors with updated information on the Bank's risk management.

- Asset and Liability Committee (ALCO)

  This Committee has the mission of providing strategic guidelines that allow properly managing the Bank's financial structure consistent with the objectives established by the Board of Directors and the policies of Scotiabank Chile.

- Model Committee

  The Model Committee is an instance formed to define and approve the preparation, application and follow-up on the models used in risk management for the Retail Banking and Wholesale Banking business segments, in the different stages of the credit cycle, as well as overseeing the quality of provision estimation methodologies.

- Capital Management and Profitability Committee

  The Capital Management and Profitability Committee provides strategic guidelines to maximize the Bank's profitability within the internal and regulatory risk appetite, in accordance with the objectives set by the Board of Directors and the policies of Scotiabank Chile.

- Committee for Preventing Money Laundering and the Financing of Terrorism

  This Committee promotes and improves compliance by the Bank of the regulations and best practices to prevent, detect and report unusual transactions that may be linked to money laundering.

- Consequence Management Committee

  The Consequence Management Committee is responsible for the governance and oversight of local conduct risk and oversees the management of conduct risk in the Bank through general direction and guidance, and promotes the consistent and collaborative application of the guiding principles contained in the code of conduct throughout the Bank. The committee is responsible for the effective conduct of risk management aimed at ensuring clear communication of the Bank's values and its global principles with respect to the required ethical conduct.

- External Suppliers Committee

  The External Suppliers Committee manages the different aspects of outsourcing by the Bank, including arrangements with external suppliers and with subsidiaries and affiliates of the Bank.

- Liquidity Contingency Committee

  The Liquidity Contingency Committee is the highest decision-making body within the Bank during a liquidity stress event, being the point of contact and consultation for the different areas of the Bank.

- Non-Financial Risk Management Committee

  The Non-Financial Risk Management Committee provides high-level oversight of the Bank's non-financial risks (operational risk, information security risk, business continuity risk, outsourced services risk, new products and initiatives risk, compliance, regulatory reports and reputational risks), delivering a strategic approach and coordinating the development of local internal control programs.

- Audit Committee

  The Audit Committee is responsible for various aspects related to efficiency, maintenance, application and functioning of the Bank's internal control systems; closely monitoring of compliance with the standards and procedures governing their application; having a clear understanding of the risks which may impact the business activities for the Bank; strengthening and supporting the comptrollership function, as well as management independence; and channeling and coordinating the tasks of the internal audit department and external auditors, while also serving as the channel between them and the Board of Directors.

Risk Division

This Division supports the Bank's objectives and must maintain an efficient and ongoing management framework at all the Bank's levels. The Risk Division is responsible for providing a reasonable guarantee to the senior management, Board of Directors and shareholders that risks have been duly identified, controlled and communicated to the key stakeholders. This is achieved by the efficient and timely submission of information. The Risk Division's mission is to guarantee that the results of the risk assumption activities are consistent with the Bank's strategies and risk appetite and that a reasonable balance exists between the risk and benefit to maximize the value for the shareholders.

Credit Risk

Credit risk is the risk of financial loss to the Bank if a customer or counterpart to a financial instrument fails to meet its contractual obligations. It arises mainly from loans and accounts receivable from customers and other banks, and investment securities.

Credit Risk Management

The Bank manages credit risk through different tools that include, among others, procedures, models, controls and behavior monitoring. This is framed within a global strategy. Separate limits and models based on customer's characteristics and in function of the operating environment are established.

The process used by the Bank to apply its policies and controls includes the following features:

- Centralized awarding process, where all attributions lie on the Credit Committees.
- Clearly established credit discretionary limits.
- Credit Committees specialized by business segments.
- Credit Committees specialized by sectors in the economic activity.

The main controls established by the Bank include:

- Control and follow-up of authorized credit limits by economic activity sector.
- Preparation of credit management reports.
- Early warnings of the commercial portfolio.
- Monthly calculation and control of provisions.
- Follow-up of the impaired portfolio.
- Control of write-offs control and loan recoveries.

The Bank has separate models to establish the appropriate amount of potential losses, based on the following models for the individual and collective evaluation of debtors.

Individual Assessment

Debtors with the following characteristics will be considered as commercial portfolio subject to individual assessment:

All Wholesale customers, that is, customers assigned to the Corporate, Real Estate, Large Companies and Wholesale segments.

Debtors other than Wholesale that meet the following conditions:

- Annual sales equal to or higher than Ch$1,000 million.
- Customers whose business debt obligations are equal to or higher than Ch$500 million. Commercial debts comprise loan operations, contingent loans, leases and factoring operations.
- Debtors recording cross-border operations among their loans will be considered individual customers.

In accordance with the CMF in Chapter B-1 of the Compendium, each individual assessment considers the following classifications:

- Normal Portfolio: Includes those customers whose payment capacity allows them to comply with their financial obligations and covers categories from A1 to A6.
- Substandard Portfolio: Includes those debtors with financial problems or default issues exceeding 30 days and covers categories from B1 to B4.
- Default Portfolio: Includes all debtors with insufficient payment under foreseeable situations. Categories include a range from C1 to C6.

Expected Credit Loss Model for Collective Allowances

The Bank has a separate independent structure responsible for credit risk modeling, which manages credit risk models and maintains independence of functions in accordance with best practices and local regulations.

In addition, the Bank's Model Committee, which approves the development and follow-up of models both from a performance and allowance adequacy perspective, helps maintain proper control of collective allowances.

The Bank maintains a model management policy providing guidelines that help ensure models are developed using the Bank's defined standards, regardless of the team performing the work. These guidelines cover different aspects of the process including group model methodology, follow-up and control, data validation, model development and allowance adequacy.

Additionally, in order to have proper supporting evidence and analyses, the Bank prepares technical notes covering relevant matters related to model development, such as a recession period to consider or the discount rate to use when calculating the loss given default parameters.

On March 6, 2024, the CMF through Circular N°2,346, with effect starting January 2025, implemented a standardized methodology to compute expected credit losses for consumer loans with matrices for PDD and LGD based on certain risk drivers. Based on the information available as of the date of this Offering Circular, the adoption of this new methodology is expected to have an adverse impact of Ch$172,104 million on the operating income of the Bank. To address this impact, the Bank is assessing the use of additional allowances prepared for these purposes, among other actions. The Bank cannot be certain that future changes, especially in provisioning rules or related definitions, will not materially and adversely affect the Bank's results of operations and financial condition. See "Note 3 – New accounting pronouncements issued and adopted, or issued but not yet adopted" to the 2024 Audited Consolidated Financial Statements for more detailed information.

Past-Due Loans

The following table sets forth information on the Bank's past-due loans, total provisions for loans and loan write-offs as of December 31, 2024, 2023 and 2022.

	As of and for the year ended December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$*)		
Total loans	32,718,937	32,131,568	33,235,621
Past-due loans	774,254	694,586	458,160
Allowances for credit losses	762,164	706,523	596,532
Write-offs	474,741	384,744	229,569
Commercial loans	101,815	72,131	54,800
Mortgage loans	5,516	7,913	7,394
Consumer loans	367,410	304,700	167,375

Past-due loans represented 2.37% of the Bank's total loans as of December 31, 2024, compared to 2.16% as of December 31, 2023. This increase was driven by the longer than expected periods of elevated inflation and interest rates, negatively affecting the payment behavior of customers. The ratio of allowances for credit losses to total loans increased to 2.33% as of December 31, 2024 from 2.20% as of December 31, 2023. This increase was primarily attributable to the growth in the unsecured consumer loan segment.

Operational Risk

Operational risk is the risk of loss to which the Bank is exposed due to inadequate or failure in internal processes, human errors, failure in its systems and/or processes or external events. To a certain extent, operational risk exists in each of the Bank's business and support activities and could result in financial losses, regulatory sanctions or damage to the Bank's reputation. For example, regulatory changes or legal reforms, such as reforms related to regulatory capital and liquidity requirements or general changes in government and regulatory policies or regimes which may significantly influence customer decisions, may have an impact on the Bank's risk profile.

Operational Risk Management

Operational risk management is an ongoing and cross-cutting process for the organization and is performed by employees at all levels within the Bank.

The process is designed to identify, evaluate, monitor and report risks and current and potential events, mitigate the impact as well as provide reasonable assurance to the Board of Directors and senior management as to the exposure and operational risk management status of the Bank.

The Bank adopted a three line of defense model consistent with the Bank's risk management framework, which establishes the related responsibilities for managing operational risk.

The first line of defense (generally composed of the lines of business and corporate functions) assumes and is responsible for the risks.

The second line of defense (generally composed of control functions, such as risk management, compliance and finance) provides independent supervision and objective challenges to the first line of defense, as well as risk oversight and control.

The third line of defense (the internal audit department) provides independent assurance at the institutional level on the design and operation of the Bank's internal control, risk management and control processes through the first and second lines of defense.

The Bank manages its operational risks through a governance structure composed of the Board of Directors as its highest hierarchy for approving risk strategies and management, Enterprise Risk Management, Non-Financial Risk Management Committee, Risk Committee and Control areas, as the second lines of defense.

Risk and Control Self-Assessment Program

The Bank has a process roadmap including all business and support functions existing within each entity, which is subject to an annual criticality assessment using qualitative and quantitative variables.

Processes for how specific risk and control assessments will be conducted are defined annually in accordance with the priorities reviewed and approved by the Non-Financial Risk Management Committee. The Committee may also suggest and approve changes to the risk and control assessment of one or more processes depending on relevant events that affected processes, systems, people or external events during such period, such as changes in standards, materialization of incidents and operating losses, among others. As a supplementary action to this program and in order to ensure complete coverage, a general risk and control assessment including an overview of all critical and non-critical processes is conducted on an annual basis to each entity.

The risk and control self-assessment ("RCSA") program is an integral part of the Bank's operational risk management framework. This program establishes a systematic approach to coordinate the Bank's risk identification and efforts related to risk management and improve the understanding, control and oversight of operational risks.

The RCSA program is intended to identify, document and assess relevant operational risks in a process, entity or a significant business unit. The RCSA process provides a systematic approach to identify internal related risks and controls, as well as deficiencies affecting the achievement of the defined business objectives. For example, this process is used to supervise management's actions to remove deficiencies identified and to monitor the efficiency of measures by using key risk indicators for the main risks applicable.

Key Risk Indicators Program

The key risk indicators ("Key Risk Indicators") program establishes a systematic approach to coordinate the oversight of key determinants of operational risk, and provides an approach, structure and common terminology to implement and manage the selection of Key Risk Indicators throughout the Bank.

The Key Risk Indicators program covers risk indicators at all levels in the Bank. Key Risk Indicators exist at the entity level and subdivision (or lines of business) level.

Operational Risk Measurement

The operational risk measurement may be qualitative and quantitative. The Bank has implemented programs to guarantee the timely measurement of operational risk in order to provide support on effective tactical or strategic decision-making at all levels in the Bank.

Operational Risk Loss Data

The Bank responds to relevant operational risk loss data, based on the amounts established as risk appetite, in conformity with the types of Basel loss events. Losses are reported to the Bank's Enterprise Risk Management and used as components for such risk monitoring and control. The 1B Operational Risk and Regulatory Programs Management, which is part of the lines of business and corporate functions that serve as the first line of defense, then reports the operational loss data on a monthly basis considering certain limits established to The Bank of Nova Scotia's International Operations & Shared Services for entry to its centralized operational loss database.

The operational loss database includes the following types of losses: customers, products and business practices; employee practices and safety in the workplace; internal fraud, business interruption and system failure; process performance, delivery and management; external fraud; and damage to physical assets.

For the fiscal year ended December 31, 2024, the Bank recognized Ch$13,585 million associated with operational risk expenses compared to Ch$16,074 million for the fiscal year ended December 31, 2023 and Ch$14,470 million for the fiscal year ended December 31, 2022.

Market Risk

Market risk is the risk of adverse changes in market prices. It relates to financial market volatility and reflects the uncertainty faced by a financial entity when confronted with possible adverse effects on its assets, liabilities and equity as a result of market factors such as interest rates, exchange rates and prices, among others. Market risk includes:

- Interest rate risk

  Interest rate risk corresponds to the risk of losses due to adverse changes in the interest rate structure. This arises from falls or rises in the yield curve.

- Spread risk – basis

  Spread risk is the risk of losses related to adverse changes in spreads existing in the yield of different financial assets and liabilities. These might reflect particular liquidity conditions of assets, credits and/or specific prepayment clauses whose exercise can result in impairment in the ability to generate future margin.

- Currency risk

  Currency risk is the risk of losses due to adverse changes in exchange rates. This risk arises from financial mismatches between assets and liabilities.

- Option volatility risk

  Option volatility risk is the risk of financial losses related to positions in explicit or implicit options, whether purchased or delivered, such as those contained in mortgage loans and education loans.

Balance Sheet Management

The Bank's assets are mainly comprised of mortgage loans (mainly denominated at a fixed rate), commercial loans (including those issued for the financing of foreign trade operations), education loans and consumer loans.

The Bank manages its balance sheet in order to maximize its net interest and indexation income by holding a high proportion of on-demand deposits for which no interests are paid and short-term deposits, thus granting long-term loans that allow it to take advantage of the yield curve within an agreed financial risk management context.

The main balance sheet risks are (i) interest rate risk produced by long-term assets funded with short-term liabilities and (ii) inflation risk, as the Bank grants loans in UF and funds those loans using Chilean pesos. In order to mitigate balance sheet risks, the Bank has short-term interest and inflation rate risk limits, as well as long-term interest rate limits in order to maintain desired risk level by the institution.

The Bank manages a portfolio of non-derivative financial instruments for the purpose of using the difference in the yield curve as well as maintaining positions in liquid financial instruments to cover possible needs for resources.

In addition, the Bank enters into hedging derivative contracts to manage risks arising from its mortgage portfolio, deposits portfolio and other applicable cases.

Trading/Customer Activities

The Bank has a trading area responsible for the active trading of highly liquid instruments, whether Central Bank, bank and/or corporate papers, derived from interest rate and/or currency (including inflation-adjusted units). This area is responsible for finding earning opportunities in a short-term horizon, taking advantage of temporary disarbitration in the prices and differences in the yield curve (base and spreads) and providing financial solutions to the Bank's customers.

Value at Risk

The Bank uses value at risk ("VaR") tools for quantifying the risk related to trading portfolio positions. This includes notes and derivatives classified in the trading portfolio, as well as the exchange risk derived from foreign currency mismatches from operations with customers and currency proprietary positions.

Aligned with the Bank's parent bank, the market risk department uses the historical simulation method with a level of trust of 99% and 300 days of observations.

In addition, the market risk department regularly uses contrast tests in order to establish the predictive quality of its VaR model (a test of the frequency of excesses).

As of December 31, 2024, 2023 and 2022, total trading portfolio VaR (including rate and currency) amounted to Ch$4,194 million, Ch$2,878 million and Ch$3,271 million, respectively.

Sensitivity of Equity and Financial Margin

The Bank uses the sensitivity of equity and financial margin in order to quantify the interest rate risk of the balance sheet. Both measures include total assets and liabilities, except for trading portfolios.

The change in the equity value is determined assuming a parallel fall or rise of 100 basis points in the interest rate structure. The calculation is made separately for domestic currency (UF and Ch$) and foreign currency (U.S.$ and other currencies). The total risk will be the sum of the impact considering the most adverse scenario for the group of currencies that the Bank uses in its operations.

	As of December 31,					
	2024			2023		
	VPN	VPN + 1%	VPN – 1%	VPN	VPN + 1%	VPN – 1%
Ch$	1,560,606	(44,549)	43,458	2,452,985	(57,996)	63,969
UF	2,584,489	(214,141)	150,996	2,473,099	(109,270)	33,166
U.S.$	(190,743)	5,154	(5,487)	(1,076,081)	2,280	(2,546)
MX(1)	44,826	(1,369)	1,445	48,623	(1,542)	1,639
Usage	(254,905)			(166,528)		

(1) FC: Any foreign currency different from the U.S. dollar.

Stress Tests

The risk management department develops and reports regularly to the ALCO and the Board of Directors stress tests, which include parallel and non-parallel movements of the yield curve, volatility shocks and historical scenarios.

Exposures

Exchange Rate Risk

The Bank is exposed to the volatility in exchange rates affecting the currencies it uses to report or index its financial positions and cash flows. Every year, the Bank and, separately, the ALCO review the limits for net exposure levels for currency and the total positions during the day and at the closing of the day, which are monitored daily by market risk management.

The Bank actively operates in positions expressed in U.S. dollars and other currencies as a result of product requirements by customers.

The summary of exposures to the different currencies, whether from banking or derivative products in its equivalent in local currency, is as follows:

	As of December 31, 2024		
	Assets	Liabilities	Net
	(*in millions of nominal Ch$*)		
U.S.$	67,535,732	67,483,625	52,107
CAD	21,072	25,045	(3,973)
BRL	40,539	38,309	2,230
PEN	5	-	5
AUD	215,574	217,539	(1,965)
CNY	113,953	113,245	708
DKK	-	-	-
JPY	592,083	590,058	2,025
CHF	429,837	429,963	(126)
NOK	5,052	5,053	(1)
NZD	172	104	68
GBP	176,890	176,909	(19)
SEK	12,873	12,902	(29)
HKD	7	9	(2)
ZAR	33	-	33
COP	47,726	48,318	(592)
MXN	157,216	162,214	(4,998)

EUR	1,283,311	1,270,671	12,640
Other currencies	-	1	(1)

Interest Rate Risk of the Banking Records

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 may increase, but also can be reduced and even cause losses if adverse movements occur.

The Board of Directors establishes the limits for the purposes of mismatches in the banking book (including all those positions that are not for trading) above the financial margin and the economic value of its equity, which compliance should be reported to the CMF on a monthly basis.

The table below shows the structural exposure for interest rate of assets and liabilities, considering the terms for changes or renewals in rates; otherwise, the transactions maturity dates are considered.

	As of December 31, 2024			
	Term Mismatch			
Days	**Ch$**	**UF**	**U.S.$**	**FC[(1)]**
00002-00030	(1,501,048)	(167,556)	708,802	8,880
00031-00060	(208,550)	59,159	(1,180,885)	(26,334)
00061-00090	271,446	177,482	(238,128)	1,482
00091-00120	(94,970)	262,426	107,141	8,492
00121-00150	8,474	12,886	430,086	2,936
00151-00180	453,288	330,933	10,791	3,844
00181-00210	(40,429)	(1,843)	40,107	2,702
00211-00240	(80,664)	228,505	6,424	3,589
00241-00270	(26,239)	230,697	9,494	45
00271-00300	15,237	(175,520)	57,060	-
00301-00330	296,542	109,867	(19,482)	429
00331-00360	287,829	(48,837)	41,551	1,823
00361-00720	1,829,489	(807,612)	(14,818)	20,161
00721-01080	759,430	375,195	(44,667)	1,123
01081-01440	(263,011)	456,940	(42,432)	1,181
01441-01800	(410,864)	(130,279)	(48,868)	1,186
01801-02160	428,590	291,441	(39,314)	1,304
02161-02520	399,122	(758,407)	(45,443)	51,478
02521-02880	(386,207)	(372,722)	(43,311)	(12,908)
02881-03240	5,310	20,260	(3,758)	-
03241-03600	5,404	611,598	-	-
03601-05400	51,984	2,842,664	-	-
05401-07200	9	(224,335)	-	-
07201-09000	4	(172,784)	-	-
09001-10800	6	1,979	-	-
10800→	72	15	-	-
NRS	(1,052,950)	48,021	(620,783)	-

(1) FC: Any foreign currency different from the U.S. dollar.

Balance Sheet Exposure (Banking)

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

The Central Bank establishes a regulatory limit for the sum of interest rate risk in trading positions (including derivatives) and currency risk. The Bank must monitor these limits and report its positions and compliance with such limits on a weekly basis to the CMF. In addition, on a monthly basis, the Bank must report on its consolidated risk exposure with its subsidiaries and foreign branches to the CMF. The regulatory limit provides that effective equity must be sufficient to cover 8% of assets weighted for credit and market risk.

	As of December 31,		
	2024	**2023**	**2022**
	(*in millions of nominal Ch$, except percentages*)		
Interest rate risk	267,482	208,534	228,900
Currency risk	5,676	30,067	13,343
Share risk and currency optionality risk	2,007	1,412	1,158
Total trading book market risk	**275,165**	**240,013**	**243,401**
Weighted assets by consolidated risk	32,021,770	30,758,320	30,528,390
Credit risk regulatory capital (8% APR)	2,047,286	2,001,538	2,003,712
Market risk regulatory capital (8% APRM)	275,165	240,013	243,400
Operational risk regulatory capital (8% APRO)	239,290	219,115	195,159
Total regulatory capital	**2,561,741**	**2,460,666**	**2,442,271**
Effective consolidated equity	5,541,100	4,629,910	4,122,749
Consumption %	46.23%	53.15%	59.24%
Basel index	17.30%	15.05%	13.50%

Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in:

- Meeting contractual and, if applicable, adjusted behavior obligations in a timely manner;
- Settling positions without incurring in significant losses caused by anomalous operation volumes;
- Avoiding regulatory sanctions due to non-compliance with regulatory indexes; and
- Funding commercial and treasury activities competitively.

There are two sources of liquidity risk: (i) endogenous, that is, risks derived from controllable corporate decisions and (ii) exogenous, that is, risks resulting from movements in uncontrollable financial markets.

Based on an ongoing oversight, the Bank reviews all aspects of liquidity management in light of potential risks to which it is exposed to on this matter. The liquidity contingency planning is an integral component of this review and its purpose is to provide a framework that allows establishing appropriate actions in case of a liquidity crisis. For this purpose, the Bank has a “liquidity contingency plan” which is reviewed and approved annually by the Board of Directors.

Liquidity risk management is the process used to identify, measure, limit and control liquidity risk, based on a group of policies, which sets the criteria, defines the metrics, organizes the activities and imposes the procedures that the Bank should follow for appropriate management.

The Board of Directors approves this Liquidity Management Policy and oversees its compliance through the Bank's Audit Division. It is also responsible for defining the liquidity risk appetite and for periodically reviewing the Bank's liquidity strategy.

As the main individual responsible for managing the Bank's liquidity risk, the Chief Executive Officer needs to lead the business within the current legal framework and follow the established policies, limits and procedures. The Chief Executive Officer acts as the chairman of the ALCO, where he is actively involved in managing the liquidity risk. The Chief Executive Officer delegates authority for managing the liquidity risk to other members of the senior management, committees and appropriate departments.

The Treasury is in charge of daily liquidity management, in particular Asset and Liability Management (ALM), which includes implementing efficient investment and funding strategies in relation to the Bank's relevant competitors. For such purposes, it needs to adjust the maturity profiles of the liabilities taking into consideration income, capital and liquidity of current and foreseen scenarios, minimizing the risk arising from an excessive mismatch or a high concentration of liabilities.

In order to know and quantify the risk profile, the management is focused on maturity flows, concentration of funding, maintaining sufficient liquid assets, quantifying the committed assets, and liquidity stress tests. The development, implementation and quantification of metrics are performed by the Market Risk Management with A&C from the Global Risk Management Market Risk Management (GRM MRM).

The established limit structure and its daily control ensure that liquidity management is within the limits established by the ALCO and approved by the Board of Directors. This is improved by proper segregation of functions, accountability and the dual control defined in the organizational structure of the Bank, which minimize conflicts of interest in the management of liquidity.

In addition to liquidity management, liquidity stress tests are also performed. These tests assess the impact different internal, systematic and global liquidity scenarios have on the Bank's funding, through the analysis of liquidity gaps, hedging of liquid assets, amount of extra funding, survival horizon, and status of internal and normative limits.

Counterparty Risk

As a result of activity with customers, the Bank has counterparty exposures due to the risk that its debtors will not comply with payments due arising from financial derivative contracts. The Bank structures credit risk levels by setting limits for the exposure to risks in terms of individual debtors, which are subsequently classified by groups of debtors, industry and country segments. Such risks are monitored regularly by the risk division, and the limits per debtor, group of debtors, products, industry and country are reviewed at least once a year and approved by the Board of Directors and the Senior Risk Committee.

The exposure to credit risks is managed through regular analyses of the ability of debtors and potential debtors to comply with the payments pursuant to the contract 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 limits for loans to customers and potential exposures to market fluctuations. Likewise, the Bank adjusts the valuation of contracts based on the creditworthiness of the counterparty and the expected exposure to credit risk given the contracts currently in force.

Capital Management

The Bank has a capital management department responsible for the follow-up and permanent control of capital availability. This unit, which reports to the Manager of the Finance Division, is responsible for assuring capital levels that allow a sustained and profitable growth of the business unit.

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.

In accordance with the New General Banking Law, a bank's minimum basic capital may not be less than 3% of its consolidated assets, effective equity may not be less than 8% of its risk-weighted assets, net of the provisions required, and basic capital should not be less than 4.5% of risk-weighted assets. For these purposes, effective equity is based on the capital and reserve or the basic capital together with the following adjustments:

- Subordinated bonds are added up to 50% of that basic capital;
- Additional provisions are added up to 1.25% of risk-weighted assets;

Assets are weighted according to risk categories, which are assigned a risk percentage according to the capital necessary to support each one of those assets. For such purposes, five risk ratings are used, plus an interim rating related to derivative instruments offset and settled through a central counterparty entity (0%, 2%, 10%, 20%, 60% and 100%). For example, cash, deposits in other banks and financial instruments issued by the Central Bank, have a 0% risk, which means that, according to current regulations, no capital is necessary to support these assets. Property, plant and equipment have a 100% risk, which means that the minimal capital required shall be equivalent to 8% of these assets.

All derivative instruments traded through over-the-counter transactions are considered for the determination of risk assets with a conversion factor over notional values, to derive in the amount of the exposure to credit risk (or "credit equivalent"), adding these credit equivalents and deducting the assets related to these instruments. In addition, the "credit equivalent" of contingent loans is considered, which relates to the exposure to credit risk, resulting from multiplying these by a percentage defined per the type of contingent loan, for its subsequent weighting according to the related rating, less the amounts of the allowances made for such transactions. For example, exposure for revolving credit facilities must be calculated at 35% (translation loan factor) to subsequently weight at 60% for this risk category.

DESCRIPTION OF CHILEAN BANKING REGULATORY SYSTEM

General

In Chile, only banks may maintain current accounts for their customers, conduct foreign trade operations, and, together with non-banking financial institutions, accept term deposits. The principal authorities that regulate financial institutions in Chile are the CMF, which absorbed the SBIF on June 1, 2019, and the Central Bank. Chilean banks are primarily subject to the New General Banking Law, and secondarily subject, to the extent not inconsistent with this statute, the provisions of the Chilean Corporations Law governing publicly listed corporations, except for certain provisions, which are expressly excluded.

The modern Chilean banking system dates from 1925 and has been characterized by periods of substantial regulation and government intervention, as well as periods of deregulation. The most recent period of deregulation commenced in 1975 and culminated in the adoption of a series of amendments to the Chilean banking legislation contained in the Decree with Force of Law No. 3 of 1997. That law was amended in 2004 to grant additional powers to banks, including general underwriting powers for new issues of certain debt and equity securities and the power to create subsidiaries to engage in activities related to banking, such as brokerage, investment advisory and mutual fund services, administration of investment funds, factoring, securitization products and financial leasing services. During the last few years, several modifications to the banking legislation were issued with the purpose of a gradual implementation of Basel III guidelines. The most recent amendment was introduced by Law No. 21,130, which modernizes banking legislation.

Regulatory Authorities

The Central Bank

The Central Bank is an autonomous legal entity created by the Chilean Constitution. It is subject to the Constitution and its own *ley orgánica constitucional*, or organic constitutional law. To the extent not inconsistent with the Constitution or the Central Bank's organic constitutional law, the Central Bank is also subject to private sector laws (but in no event is it subject to the laws applicable to the public sector). It is directed and administered by a Board of Directors composed of five members designated by the President of Chile, subject to the approval of the Chilean Senate.

The legal purpose of the Central Bank is to maintain the stability of the Chilean peso and the orderly functioning of Chile's internal and external payment systems. The Central Bank's powers include setting reserve requirements, regulating the amount of money and credit in circulation, establishing regulations and guidelines regarding finance companies, foreign exchange (including the Formal Exchange Market) and banks' deposit-taking activities.

The CMF

Since June 1, 2019, Chilean banks have been supervised and controlled by the CMF, an independent Chilean governmental agency, created in 2017 by the Law No. 21,000, which became a Law in January 2018.

On June 1, 2019, pursuant to Law No. 21,130, which modernizes banking legislation in Chile, the CMF became the legal successor of the SBIF, the former banking industry regulatory agency. Thereafter, the position of the "Superintendent" was eliminated and replaced by a council comprised of four commissioners and one president.

The CMF is the sole supervisor for the Chilean financial system overseeing insurance companies, companies with publicly traded securities, credit unions, credit card and prepaid card issuers, and banks. The CMF is responsible for the proper functioning, development and stability of the financial market, facilitating the participation of market agents and defending public faith in the financial markets. To do so, it must maintain a general and systemic vision of the market, considering the interests of investors and policyholders. Likewise, it shall be responsible for ensuring that the persons or entities audited, from their initiation until the end of their liquidation, comply with the laws, regulations, statutes and other provisions that govern them.

The Commission is in charge of a Council, which is composed of five members, who are appointed and are subject to the following rules:

- A commissioner appointed by the President of Chile, of recognized professional or academic prestige in matters related to the financial system, who is the Chairman of the CMF.

- Four commissioners appointed by the President of Chile, from among persons of recognized professional or academic prestige in matters related to the financial system, by supreme decree issued through the Ministry of Finance, after ratification of the Senate by the four sevenths of its members in exercise, in session specially convened for that purpose.

The CMF Council's responsibilities include regulation, sanctioning and the definition of general supervision policies. In addition, there is now a prosecutor in charge of investigations and the Chairman is responsible for supervision. The CMF acts in coordination with the Central Bank.

The date of entry into operation of the CMF was December 14, 2017. The CMF became the legal successor of the Superintendency of Securities and Insurance, which was eliminated on January 15, 2018.

In January 2019, Law No. 21,130, which modernizes the banking legislation and amends Law No. 21,000 (among others), was published in the Official Gazette. The law intends to modernize Chilean banking regulation in order to comply with Basel III practices and provisions. The law provides for stronger banking capital and reserves requirements in accordance with Basel III guidelines. The law also modernizes the corporate governance function of the CMF and, importantly, transfers the SBIF functions to the domain of the CMF. The CMF now has the faculty to determine the risk weighting of assets through a standardized model to be approved by the CMF or banks can implement their own methodology, subject to approval by the CMF. The law also imposes limitations on dividend distributions and puts in place intervention mechanisms in the event of insolvency.

By the end of 2020, the board of the CMF announced that, starting in 2021, its internal structure would move towards a "twin peaks" system, following recommendations from the IMF. This means that the CMF's structure, from January 2021 onwards, is divided into two sections by their supervisory and regulatory purpose. One of these sections will exclusively address prudential/solvency regulation and supervision, while the other will focus on conduct regulation and supervision.

The CMF's powers include the authority to require information of banking transactions of specific persons, even those subject to secrecy or confidentiality provisions; interception of all kind of communications and requesting telecommunication companies any communication transmitted or received by them, and order other public agencies to provide background information, even when such information is confidential or classified. These measures, among others, are subject to control and prior authorization of the Santiago Court of Appeal.

The CMF is in charge of authorizing the creation of new banks and has broad powers to interpret and enforce legal and regulatory requirements applicable to banks and financial companies. Furthermore, in cases of noncompliance with such legal and regulatory requirements, the CMF has the ability to impose sanctions. In extreme cases, it can appoint, with the prior approval of the Board of Directors of the Central Bank, a provisional administrator to manage a bank. It must also approve any amendment to a bank's by-laws or any increase in its capital.

The CMF examines all banks from time to time, generally at least once a year. Banks are also required to submit their financial statements monthly to the CMF, and a bank's financial statements are published at least four times a year in a newspaper with countrywide coverage. In addition, banks are required to provide extensive information regarding their operations at various periodic intervals to the CMF. A bank's annual financial statements and the opinion of its independent auditors must also be submitted to the CMF.

Any person wishing to acquire, directly or indirectly, 10.0% or more of the share capital of a bank must obtain the prior approval of the CMF. Absent such approval, the acquirer of shares so acquired will not have the right to vote. The CMF may only refuse to grant its approval, based on specific grounds set forth in the New General Banking Law.

According to Article 35 *bis* of the New General Banking Law, the prior authorization of the regulator is required for:

- the merger of two or more banks;
- the acquisition of all or a substantial portion of a bank's assets and liabilities by another bank;
- the control by the same person, or controlling group, of two or more banks; or
- a substantial increase in the existing control of a bank by a controlling shareholder of that bank.

Such prior authorization may be granted or rejected by the CMF, which is further authorized to set rules or specific requirements on that regard-

The intended purchase, merger or expansion may be denied by the regulator with an accompanying resolution recording the specific reasons for denial and with agreement of a majority of the Board of Directors of the Central Bank.

Pursuant to the regulations of the CMF, the following ownership disclosures are required:

- a bank is required to inform the CMF of the identity of any person owning, directly or indirectly, 5.0% or more of such banks' shares;
- holders of ADSs must disclose to the Depositary the identity of beneficial owners of ADSs registered under such holders' names;
- the Depositary is required to notify the bank as to the identity of beneficial owners of ADSs which such Depositary has registered and the bank, in turn, is required to notify the CMF as to the identity of the beneficial owners of the ADSs representing 5.0% or more of such banks' shares; and
- bank shareholders who individually hold 10.0% or more of a bank's capital stock and who are controlling shareholders must periodically inform the CMF of their financial condition.

On April 13, 2021, Law No. 21,314 was enacted, which regulates market agents and increases transparency requirements for public companies, among other matters. Regarding public companies, this law introduced the following amendments to the Corporations Law No. 18,046 and the Securities Law No. 18,045: (i) an assumption of culpability on directors of public companies that approved related party transactions in violation of applicable laws; (ii) the CMF will determine by a general rule to be issued, the minimum content of the policies that public companies will maintain in order to regulate related party transactions; (iii) the CMF will have the power to require information from subsidiaries of public companies; (iv) public companies will have to provide policies, processes and controls to ensure the correct release of material facts to the public and avoid leaks before such information is made public; (v) partners of audit companies will be subject to imprisonment sanctions when they provide malicious opinions or deliver false information, as it will occur with employees of audit companies that hide or destroy information to obtain false opinions; (vi) directors, managers and executives will be subject to imprisonment sanctions if they provide false information to management or to the auditors; (vii) information provided to the public with the purpose of recommending investment in certain securities will have to comply with requirements to be issued by the CMF through a general rule; and (viii) directors, managers and executives of public companies and their related parties will not be able to participate in transactions related to securities of the company where they perform.

In addition, Law No. 21,314 increases the amount of the fines that can be applied by the CMF to an amount from UF 15,000 to a maximum of UF 100,000, increases prison sentences to a maximum of five to 10 years for insider trading and other securities crimes, and also creates the figure of the "anonymous whistleblower" (*denunciante anónimo*) that seeks to protect and reward those who report financial crimes with a percentage of the fines imposed by the CMF in connection with the reporting, which will be between 10% and 30% of the fine with a limit of UF 25,000. It also regulates the role of a "financial advisor" in connection with advice to pension fund customers, so as to subject them to the oversight and sanctioning powers of the CMF.

On January 25, 2023, the CMF published a white paper on guidelines for a new bank resolution and deposit insurance framework in Chile (*Lineamientos para un nuevo marco de resolución bancaria y de seguro de depósito en Chile*, the "White Paper") that sets out a bank resolution regime and a deposit insurance scheme, in response to recommendations from the Financial System Assessment Program (FSAP) conducted by the IMF and the World Bank in 2020 and 2021. The White Paper will serve as a basis for a joint discussion between the Ministry of Finance and the Central Bank on proposed regulatory updates aimed at strengthening the protections of depositors and other creditors, while also ensuring the continuity of critical financial services in the event of a Chilean bank becoming insolvent.

In particular, the White Paper proposes the following:

- The creation of a new resolution and deposit insurance authority, with operational and budgetary independence. Under normal conditions, such authority would be in charge of developing contingency and resolution plans for all institutions deemed systemically important. During a crisis, it would be the lead authority in charge of resolution processes.

- Systemic banks should meet a loss-absorbing capacity requirement at least equivalent to 1% of the institution's total assets as an indicator of having sufficient assets to facilitate the implementation of a stabilization mechanism, if necessary including a potential bail-in.

- The resolution authority should develop, as a general rule, a framework to identify when a bank is no longer solvent and should enter the resolution process.

- The incorporation of resolution tools, including debt restructurings, asset purchases with assumptions of liabilities and "bridge banks" to temporarily assume and maintain certain assets, liabilities and operations of an insolvent bank, as part of the resolution process, which should be selected by the resolution authority.

- The replacement of the current state deposit guarantee and the guarantee to deposits and on-demand obligations of Central Bank with a new deposit insurance system with global coverage to individuals and legal entities (excluding interbank obligations), with a limit of UF 1,000. To finance this insurance system, a deposit insurance fund would be funded with the insurance premiums paid in advance by member institutions. The target value of the fund, together with the deposit insurance coverage and the term for its payment, will require a transition period, which is yet to be determined and in accordance with international experience, could range between five and 10 years.

- The creation of a special resolution fund under the Ministry of Finance. This fund would have a zero balance under normal conditions and, in the event of systemic events, could be financed with public resources (pre-approved contingent funds or debt issuance), ex-post contributions from member institutions of the deposit insurance system, or a combination of both.

The CMF received comments from those interested in submitting their opinion on the White Paper until July 31, 2023 but, as of the date of this Offering Circular, the duration of the discussions with respect to the White Paper or whether the White Paper will result in the regulatory changes that the White Paper contemplates remains unpredictable.

However, on November 27, 2023, the CMF issued a new Chapter 1-19 of RAN that supplemented some of the New General Banking Law provisions in connection with the bank resolution regime. This new Chapter establishes the obligations to communicate to the CMF under confidentiality within one business day from its occurrence, any of the adverse economic circumstances provided in Article 112 of the New General Banking Law. In addition, it sets the eligibility requirements for the positions of delegated controller (*inspector delegado*) and provisional administrator (*administrador provisional*) which consists of having a professional degree in accounting or undergraduate studies with at least 10 semesters of duration and having served for at least five years as director, general manager or senior executive in a public company, a bank or any similar entity abroad. Also, the regulation establishes the requirements of suitability and technical capacity of liquidators (*liquidadores*), which consist of having an accounting degree or undergraduate studies with at least 10 semesters of duration, having a professional experience of five years in relation to such studies, passing a special knowledge exam, and having been included in the list of liquidators maintained by the Insolvency Superintendency.

Limitations on Types of Activities

Chilean banks can only conduct those activities expressly allowed by the New General Banking Law: including among others, opening bank accounts, bond issuance, consumer and commercial (secured or unsecured) loan placements, consumer mortgages, engaging in financial derivatives, factoring and leasing activities, making loans, accepting deposits and, subject to limitations, making investments and performing financial services. Investments are restricted to real estate for the bank's own use, gold, foreign exchange and debt securities. Through subsidiaries, banks may also engage in other specific financial service activities such as securities brokerage services, equity investments, securities, mutual fund management, investment fund management, foreign capital fund management, financial advisory, securitization and leasing activities. Subject to specific limitations and the prior approval of the CMF and the Central Bank, Chilean banks may own majority or non-controlling interests in foreign banks.

The CMF and the Central Bank are allowed by the New General Banking Law to dictate and issue ancillary regulation stating additional requirements for certain activities in which banks can engage.

Since June 1, 2002, Chilean banks are allowed to offer a new checking account product that pays interest. The SBIF also stated that these accounts may be subject to minimum balance limits and different interest rates depending on average balances held in the account and that banks may also charge fees for the use of this new product. For banks with a solvency score of less than A, the Central Bank has also imposed additional caps to the interest rate that can be paid.

On June 5, 2007, pursuant to Law No. 20,190, regulations became effective authorizing banks to enter into transactions involving a wider range of derivatives, such as futures, options, swaps, forwards and other derivative instruments or contracts subject to specific limitations established by the Central Bank. Previously, banks were able to enter into transactions involving derivatives, but subject to more restrictive guidelines.

Deposit Insurance

The Chilean government guarantees certain time and demand deposits and savings accounts held by natural persons with a maximum value of UF 200 per person in a single bank and UF 400 per person per calendar year in the entire financial system.

Reserve and Capital Requirements

Reserve Requirements

Deposits are subject to a reserve requirement of 9.0% for demand deposits and 3.6% for term deposits (with terms of less than one year). For purposes of calculating the reserve obligation, banks are authorized to deduct daily from their foreign currency denominated liabilities, the balance in foreign currency of certain loans and financial investments held outside of Chile, the most relevant of which include:

- cash clearance account, which should be deducted from demand deposit for calculating reserve requirement;
- certain payment orders issued by pension providers; and
- the amount set aside for "technical reserve" (as described below), which can be deducted from reserve requirement.

The Central Bank has statutory authority to require banks to maintain reserves of up to an average of 40.0% for demand deposits and up to 20.0% for term deposits (irrespective, in each case, of the currency in which they are denominated) to implement monetary policy. In addition, to the extent that the aggregate amount of the following types of liabilities exceeds 2.5 times the amount of a bank's regulatory capital, a bank must maintain a 100.0% "technical reserve" against them: demand deposits, deposits in checking accounts, or obligations payable on sight incurred in the ordinary course of business, and in general all deposits unconditionally payable immediately but excluding interbank demand deposits.

Minimum Capital

Under the New General Banking Law, a bank is required to have a minimum of UF 800,000 of paid-in capital and reserves, calculated in accordance with Chilean Bank GAAP, regulatory capital of at least 8.0% of its risk-weighted assets, net of required allowances, and paid in capital and reserves of at least 3.0% of its total assets, net of required allowances, as calculated in accordance with Chilean Bank GAAP. Under the New General Banking Law, total regulatory capital remains at 8% of risk-weighted assets which includes credit, market and operational risk, while Minimum Tier 1 capital increases from 4.5% to 6% of risk-weighted assets.

Regulatory capital is defined as the aggregate of:

- a bank's paid-in capital and reserves, excluding capital attributable to subsidiaries and foreign branches or *capital básico*;

- its subordinated bonds, valued at their placement price (but decreasing by 20.0% for each year during the period commencing six years prior to maturity), for an amount up to 50.0% of its core capital; and

- its voluntary allowances for credit losses for an amount of up to 1.25% of risk-weighted assets.

A bank may begin its operations with 50% of such UF 800,000, provided that it has a regulatory capital ratio (defined as regulatory capital as a percentage of risk-weighted assets) of not less than 12%. When such a bank's paid in capital reaches UF 600,000, the regulatory capital ratio requirement is reduced to 10%.

Capital Adequacy Requirements

The following table sets forth a comparison between the former regulatory capital demands, and those under the New General Banking Law.

Capital requirements: Basel III, General Banking Law and New General Banking Law

Capital categories	**General Banking Law**	**New General Banking Law**
	(% over risk-weighted assets)	
(1) Total Tier 1 Capital (2+3)	4.5	6.0
(2) Basic Capital	4.5	4.5
(3) Additional Tier 1 Capital (AT1)	—	1.5 (up to 1/3 of core capital)
(4) Tier 2 Capital	3.5	2.0
(5) Total Regulatory Capital (1+4)	8.0	8.0
(6) Conservation Buffer	2.0% over regulatory capital in order to be classified in Category A of solvency.	2.5
(7) Total Equity Requirement (5+6)	8.0	10.5
(8) Counter Cyclical Buffer	—	up to 2.5
(9) SIB[(1)] Requirement	Up to 6.0% in case of a merger	Between 0 - 3.5
(1) Total Tier 1 Capital (2+3)	4.5	6.0

(1) Systemically Important Banks (SIBs).

According to CMF's Basel III implementation calendar, a new methodology for calculation of risk-weighted assets for credit risk, market risk and operational risk has been in place since December 1, 2021. Additional capital requirements will be implemented gradually up to December 1, 2025.

According to the New General Banking Law, each bank should have regulatory capital of at least 8.0% of its risk-weighted assets, net of required allowances. This percentage may be increased by the regulators. Banks should also comply with a leverage ratio, which means basic capital (common equity tier I) of at least 3% of their total assets, net of required allowances. Some banks, however, given specific characteristics and based on the judgement of the CMF, may be required to fulfill stricter thresholds.

The calculation of risk-weighted assets is based on a five-category risk classification system for bank assets that is based on the Basel Committee recommendations. Under the New General Banking Law, following the guidelines of Basel III, minimum capital requirements have increased in terms of amount and quality. Total Regulatory Capital remains at 8.0% of risk-weighted assets which includes credit, market and operational risk. Minimum Tier 1 capital increases from 4.5% to 6% of risk-weighted assets, of which up to 1.5% may be Additional Tier 1 (AT1) either in the form of preferred shares or perpetual bonds, both of which may be convertible to common equity. The CMF established the conditions and requirements for the issuance of perpetual bonds and preferred equity in Chapter 21-2 of the Updated Rules Compilation (*Recopilación Actualizada de Normas*) ("RAN"). Tier 2 capital is now set at 2.0% of risk-weighted assets.

Additional capital demands are incorporated through a Conservation Buffer of 2.5% of risk-weighted assets, setting a Total Equity Requirement of 10.5% of risk-weighted assets. Furthermore, the Central Bank may set an additional Counter Cyclical Buffer of up to 2.5% of risk-weighted assets subject to agreement by the CMF. Both buffers must be comprised of core capital.

The CMF, with agreement from the Central Bank, may impose additional capital requirements for SIBs of between 1.0% and 3.5% of risk-weighted assets. Notably, the Central Bank may require: (1) the addition of up to 2.0% to the core capital to total assets ratios; (2) a reduction in the technical reserve requirement trigger from 2.5 times regulatory capital to 1.5 times regulatory capital; and/or (3) a reduction in the interbank loan limit to 20.0% of regulatory capital of any SIB. In November 2020, the CMF established the criteria to assess which banks will be considered SIBs through the issuance of Chapter 21-11 of the RAN. On March 31, 2021, the CMF issued the first resolution qualifying the systemic importance of Chilean banks, and the Bank was classified as an SIB. As of December 31, 2024, the regulatory minimum CET 1 ratio and total capital ratio for Scotiabank Chile were 8.58% and 12.19%, respectively, according to the Basel III guidelines.

The New General Banking Law also incorporates Pillar II capital requirements with the objective of assuring an adequate management of risk. The CMF, with at least four votes from its commissioners, has the power to impose additional regulatory capital demands of up to 4.0% of risk-weighted assets, either Tier I or Tier II, if it determines that the previous capital levels and buffers are not enough for a financial institution. The CMF has also established weighting rules for risk-weighted assets, which are mandatory for Chilean banks as of December 2021. Under the new weightings for risk-weighted assets, banks must maintain regulatory capital of at least 8.0% of risk-weighted assets, net of required allowances for credit losses and deductions, and paid-in capital and reserves ("core capital") of at least 3.0% of total assets, net of required allowances for credit losses. The Bank must maintain a minimum regulatory capital to risk-weighted assets ratio of 8.0%. Furthermore, on December 1, 2020, following the publication of new regulations through chapters of RAN that provides for the conditions and requirements for the issuance of Tier III perpetual bonds and the determination of risk-weighted assets, the CMF announced the completion of the regulatory implementation process of Basel III standards in Chile. Chilean banks have been required to comply with the Basel III requirements as from November 30, 2021.

On May 25, 2023, in the face of greater external uncertainty and to mitigate the effects of a potential external shock, the Central Bank activated the countercyclical capital requirement (*requerimiento de capital contracíclico* or "RCC") at a level of 0.5% of the risk weighted assets of the banks, to be implemented within a year by increasing the basic capital of the banks. The RCC is a macroprudential requirement aimed at increasing the resilience of the economy to severe stress scenarios resulting from systemic risks and also a tool to curb inflation. On November 20, 2024, the Central Bank announced that the RCC will be updated in order to gradually increase it to a level of 1%, so that local banks will comply with the updated level as of December 2025.

Liquidity Requirements

The SBIF and the Central Bank published new liquidity standards in 2015 and ratios that must be implemented and calculated by all banks in Chile. These will eventually replace the current regulatory limits imposed by the SBIF and the Central Bank described above. These new liquidity standards are in line with those established in Basel III. The most important liquidity ratios that will eventually be adopted by Chilean banks are:

- Liability concentration per institutional and wholesale counterparty. Banks will have to calculate the percentage of their liabilities coming from institutional and wholesale counterparties, including ratios regarding renovation, renewals, restructurings, maturity and product concentration of these counterparties.

- Liquidity coverage ratio (LCR), which measures the percentage of liquid assets over net cash outflows. The new guidelines also define liquid assets and the formulas for calculating net cash outflows.

- Net Stable Funding Ratio (NSFR), which will measure a bank's available stable funding relative to its required stable funding. Both concepts are also defined in the new regulations.

Beginning on March 30, 2016, banks began reporting these ratios to the Central Bank and the SBIF and, since the CMF absorbed SBIF, to the CMF. The final limits and results for the LCR were published in May 2018, with minimum LCR of 60.0% starting from January 1, 2019, gradually increasing by 10.0% until reaching 100%. Due to the coronavirus pandemic, in March 2020, the Central Bank announced the relaxation of liquidity requirements for banking entities. For this purpose, the CNF was modified to expressly consider that in situations of national emergency or other serious exceptional circumstances, the Council of the Central Bank may, at its sole discretion, relax or suspend the application of the existing liquidity limits.

In March 2022, the Central Bank published a new liquidity risk management regulation. The main changes brought by this new regulation are (i) the definition of a limit for the NSFR starting with a 60% for 2022 and increasing by 10 percentage points annually until reaching 100% in January 2026; (ii) improvement of the technical reserve recognition criteria for the LCR; and (iii) an internal liquidity adequacy assessment process ("ILAAP") will be required from April 2023. From April 2025, according to the regulator, the ILAAP could result in higher high-quality liquid assets requirement. For this reason, the Bank cannot yet determine the effect that the implementation of these changes will have on its business. Such effect could be material and adverse if it materially increases the liquidity the Bank is required to maintain.

Lending Limits

Under the New General Banking Law, Chilean banks are subject to certain lending limits, including the following material limits:

- A bank may not extend to any entity or individual (or any one group of related entities), except for another financial institution, directly or indirectly, unsecured credit in an amount that exceeds 10.0% of the bank's regulatory capital, or in an amount that exceeds 30.0% of its regulatory capital if the excess over 10.0% is secured by certain assets with a value equal to or higher than such excess. In the case of financing infrastructure projects built by government concession, the 10.0% ceiling for unsecured credits is raised to 15.0% if secured by a pledge over the concession, or if granted by two or more banks or finance companies which have executed a credit agreement with the builder or holder of the concession. With regard to secured loans in foreign currency for export purposes, the limit for Chilean banks is up to 30.0% of their regulatory capital;

- A bank may not extend loans in an aggregate of 30% of its regulatory capital to a group of persons or entities belonging to the same holding group (*grupo empresarial*) as defined in the Securities Market Act;

- A bank may not extend loans to another financial institution subject to the New General Banking Law in an aggregate amount exceeding 30.0% of its regulatory capital;

- A bank may not extend to any individual or entity that is, directly or indirectly, related to the ownership or management of the bank, credit under more favorable terms with respect to repayment conditions, interest rates or collateral than those granted to third parties in similar transactions. The aggregate amount of such credits granted to related persons may not exceed 5% of the bank's regulatory capital. The 5% unsecured ceiling is raised to 25% of the bank's regulatory capital if the excess over 5% is secured by certain assets with a value equal to or higher than such excess. In any case, the aggregate amount of these credits granted by the bank may not exceed the bank's regulatory capital.

- A bank may not directly or indirectly grant a loan whose purpose is to allow an individual or entity to acquire shares issued by the lender bank;
- A bank may not lend, directly or indirectly, to a director or any other person who has the power to act on behalf of the bank; and
- A bank may not grant loans to related parties (including holders of more than 1.0% of its shares or 5% of its shares if these are actively traded stocks) on more favorable terms than those generally offered to non-related parties. Loans granted to related parties are subject to the limitations described in the first bullet point above. In addition, the aggregate amount of loans to related parties may not exceed a bank's regulatory capital.

In addition, the New General Banking Law limits the aggregate amount of loans that a bank may grant to its employees to 1.5% of its regulatory capital, and provides that no individual employee may receive loans in excess of 10.0% of this 1.5% limit. Notwithstanding these limitations, a bank may grant to each of its employees a single residential mortgage loan for personal use during such employee's term of employment.

Allowances for Credit losses

Chilean banks are required to provide to the CMF detailed information regarding their loan portfolio on a monthly basis. The CMF examines and evaluates each financial institution's credit management process, including its compliance with the loan classification guidelines. Banks are classified into four categories: 1, 2, 3 and 4. Each bank's category depends on the models and methods used by the bank to classify its loan portfolio, as determined by the CMF. Category 1 banks are those banks whose methods and models are satisfactory to the CMF. Category 1 banks will be entitled to continue using the same methods and models they currently have in place. A bank classified as a category 2 bank will have to maintain the minimum levels of reserves established by the CMF while its Board of Directors will be made aware of the problems detected by the CMF and required to take steps to correct them. Banks classified as categories 3 and 4 will have to maintain the minimum levels of reserves established by the CMF until they are authorized by the CMF to do otherwise.

Capital Markets

Under the New General Banking Law, banks in Chile may purchase, sell, place, underwrite and act as paying agents with respect to certain debt securities. Likewise, banks in Chile may place and underwrite certain equity securities. Bank subsidiaries may also engage in debt placement and dealing, equity issuance advice and securities brokerage, as well as in financial leasing, mutual fund and investment fund administration, investment advisory services and merger and acquisition services. These subsidiaries are regulated by the CMF, the regulator of the Chilean financial market.

Legal Provisions Regarding Banking Institutions with Economic Difficulties

Article 112 and 113 of the New General Banking Law provides that if specified adverse economic circumstances exist at any bank, its Board of Directors must approve a financing plan to correct the situation and present it to the CMF. In its proposal, the bank must state the scheduled time within which the plan will be completed, which may not exceed 6 months. If one of the measures contained in the financing plan is to increase the capital of the bank by the amount necessary to return the bank to financial stability, the Board of Directors must call a special shareholders' meeting to the capital increase. If the shareholders reject the capital increase, the CMF may apply one or more of the restrictions stated in Article 116 of the New General Banking Law for a period not exceeding 6 months, which may be renewed once for the same period. These restrictions include limiting the bank's ability to grant loans to any person or legal entity linked (directly or through third parties) to the property or management of the bank, limiting loan renewals for more than 180 days, limiting security documents governing existing loans, among others.

If the approval of shareholders is required for a different measure included in the plan, the Board of Directors must call the shareholders' meeting within 15 days. The New General Banking Law provides that the bank may receive a three-year term loan from one or more banking institutions. The terms and conditions of such a loan must be approved by the directors of both banks, as well as by the CMF, but need not be submitted to any institution's shareholders for their approval. In any event, a creditor bank cannot grant interbank loans to an insolvent bank in an amount exceeding 25.0% of the creditor bank's regulatory capital. If the bank is unable to pay the loan to its creditors, article 115 of the New General Banking Law provides that a bank's unpaid debt may be: (i) capitalized in a merger between the bank and creditor bank, where the creditor bank may establish the terms and conditions of the merger provided such terms and conditions are approved by the CMF; (ii) used to complete a capital increase agreed by the bank, provided that the shares are issued by a third party; and (iii) to subscribe and pay a capital increase. The shares acquired by the creditor bank must be sold within a period of 180 days, which can be extended by the CMF for a further 180 days.

Dissolution and Liquidation of Banks

The CMF may establish that a bank should be liquidated for the benefit of its depositors or other creditors when such bank does not have the necessary solvency to continue its operations. In such case, the CMF must revoke a bank's authorization to exist and order its mandatory liquidation, subject to agreement by the Central Bank. The CMF must also revoke a bank's authorization (*autorización de existencia)* if the reorganization plan of such bank has been rejected twice. The resolution by the CMF must state the reason for ordering the liquidation and must name a liquidator, unless the CMF assumes this responsibility. When a liquidation is declared, all checking accounts and other demand deposits received in the ordinary course of business, are required to be paid by using existing funds of the bank, its deposits with the Central Bank or its investments in instruments that represent its reserves. If these funds are insufficient to pay these obligations, the liquidator may seize the rest of the bank's assets, as needed. If necessary and in specified circumstances, the Central Bank will lend the bank the funds necessary to pay these obligations. Any such loans are preferential to any claims of other creditors of the liquidated bank.

On January 12, 2019, Law No. 21,130 was published in the Official Gazette of Chile. The law modernizes banking legislation by, among other things, transferring the supervisory powers of the SBIF to the CMF, updating the capital and risk management requirements applicable to banking companies in accordance with the Basel III standards, and introducing measures for the early regularization and intervention of banking companies that are at risk of insolvency.

With respect to measures for early regularization, Law No. 21,130 establishes an obligation on banks to inform the CMF if any of the regulatory non-compliance situations listed in Article 112 of the New General Banking Law arise or if it has detected any event indicative of financial instability or deficient administration. Within five days of notifying the CMF, the bank must present a regularization plan approved by its board of directors containing concrete measures that shall remedy the relevant situation and ensure the bank's normal performance. The bank must comply with the regularization plan within 6 months of the resolution approving it. During the implementation of the plan, the bank must also submit periodic reports on its progress to the CMF, and the CMF may require the implementation of additional measures and/or prohibitions it deems necessary for the plan's success.

Article 161 of the General Banking Law, as amended by Law No. 21,130, provides that directors, managers, administrators and attorneys-in-fact who, without written authorization from the CMF, agree to, perform or cause the execution of any of the acts prohibited under Article 116 of the General Banking Law shall be sanctioned with ordinary imprisonment for a term within the medium to maximum range. If a bank fails to submit the regularization plan, the plan is rejected by the CMF, the bank fails to comply with any of the measures set out in the plan, the bank repeatedly breaches the plan's terms or is subject to fines, or if any serious event occurs that raises concerns for the bank's financial stability, the CMF may appoint a delegated inspector, who shall have powers to, among other things, suspend any agreement of the board of directors or act of the attorneys-in-fact of the institution, and/or a provisional administrator, who shall have all the ordinary faculties that the law and the by-laws provide for the board of directors, or whoever acts in its place, and for the general manager.

Other amendments incorporated by Law No. 21,130 include the elimination of creditors' agreements as a mechanism for regularizing a bank's financial situation, the incorporation of modifications to financial system capitalization and preventive capitalization, and the incorporation of further requirements for bank directors.

Loans and Investments in Foreign Securities

Under current Chilean banking regulations, banks in Chile may grant loans to foreign individuals and entities and invest in certain securities of foreign issuers. Chilean banks may only invest in equity securities of foreign banks and certain other foreign companies which may be affiliates of the bank or which would support the bank's business if such companies were incorporated in Chile. Banks may grant commercial loans and foreign trade loans, and can buy loans granted by banks abroad. Banks in Chile may also invest in debt securities traded in formal secondary markets. Such debt securities must be (1) securities issued or guaranteed by foreign sovereign states or their central banks or other foreign or international financial entities, and (2) bonds issued by foreign companies. If the sum of investment in foreign securities and loans granted outside of Chile surpasses 70.0% of regulatory capital, the amount that exceeds 70.0% is subject to a mandatory reserve of 100.0%.

Foreign currency securities acquired by a bank must have a minimum rating as follows:

Rating Agency	Short-Term	Long-Term
Moody's	P-2	Baa3
Standard & Poor's	A-2	BBB-
Fitch	F2	BBB-
DBRS	R-2	BBB (low)

In the event that the sum of: (a) loans granted abroad that are not to subsidiaries of Chilean companies, and that have a rating of BB- or less and do not trade on a foreign stock exchange, and (b) the investments in foreign securities which have a rating that is below that indicated in the table above, but is equal to or exceeds the ratings mentioned in the table below and exceeds 20.0% (and 30.0% for banks with a BIS ratio equal or exceeding 10% of the regulatory capital of such bank), the excess is subject to a mandatory reserve of 100.0%.

Rating Agency	Short-Term	Long-Term
Moody's	P-2	Ba3
Standard & Poor's	A-2	BB-
Fitch	F2	BB-
DBRS	R-2	BB (low)

In addition, banks may invest in foreign securities whose ratings are equal or exceeds those mentioned in the table below for an additional amount equal to 70% of their regulatory capital. This limit constitutes an additional margin and is not subject to the 100% mandatory reserve. Additionally, Chilean banks' foreign investments, whose rating is equal to or exceeds those mentioned in the table below, consisting in: (i) demand deposits with foreign banks, including overnight deposits in a single entity; and (ii) securities issued or guaranteed by sovereign states or their central banks or securities issued or guaranteed by foreign entities with which the Chilean State is affiliated, will be subject to a limit pear each depositary or issuer of up to 30.0% and 50.0%, respectively, of the regulatory capital of the Chilean bank that makes the investment. If these foreign investments do not have a rating, the individual limit will be 10.0% per depositary or issuer of the bank's regulatory capital.

Rating Agency	Short Term	Long Term
Moody's	P-1	Aa3
Standard & Poor's	A-1+	AA-
Fitch	F1+	AA-
DBRS	R-1 (high)	AA (low)

Chilean banks may invest in short-term instruments without ratings, which would be deemed to have met the above requirements, provided that the same issuer's long-term instruments meet such conditions and provided, further, that the referred short-term and long-term securities have similar guarantees or other preferences, privileges of any nature or other favorable legal treatment in respect of payment obligations.

Moreover, the sum of all demand deposits with foreign banks, including overnight deposits to related parties, as defined by the Central Bank and the CMF, cannot surpass 25.0% of a bank's regulatory capital. This limit excludes foreign branches of Chilean banks or their subsidiaries, but must include amounts deposited by these entities in related parties abroad.

Chilean banks may only invest in equity securities of foreign banks and certain other foreign companies which may be affiliates of the bank or which would be complementary to the bank's business if such companies were incorporated in Chile.

Recent Regulatory Developments

Fintech Law

On January 4, 2023, the new "Fintech Law" (Law No. 21,521) was enacted in Chile. The Fintech Law aims to promote competition and financial inclusion through innovation and technology in the provision of financial services by updating local financial regulations, taking into account technological advances and new industry players and providing new open banking guidelines.

The Fintech Law establishes a general regulatory framework for the provision of certain technology-based financial services ("Fintech"), subject to the supervision of the CMF. Such services include (i) crowdfunding platforms, (ii) alternative transaction systems, (iii) credit and investment advice, (iv) custody of financial instruments, and (v) order routing and intermediation of financial instruments. To provide Fintech services, providers are required to comply with the requirements set out in the General Rule No. 502, issued on January 12, 2024 by the CMF, and register with the CMF at the Registry of Financial Service Providers. Investment advisors are required to comply with the requirements set out in General Rule No. 494, issued on February 3, 2023 and in General Rule No. 502, to be granted the authorization to provide investment advice. The Fintech Law also establishes an open banking system which allows for the exchange of client information between financial service providers. The Fintech Law states that financial service providers that already have their business exclusively regulated by the CMF may provide investment advisory services without having to be registered in the Registry of Financial Service Providers. These entities include, banks, insurance and reinsurance companies, securities intermediaries, commodities brokers, general fund managers, and portfolios managers.

The Fintech Law took effect, after being published with some exceptions on February 3, 2023, including Titles II and III that relate to technology-based financial services and the open finance system, respectively. These III will become effective after the relevant regulations issued by the CMF enter into force. Title II of the Fintech Law became effective on January 12, 2024 by virtue of the General Rule No. 502, which sets the rules regarding information requirements, compliance, and standards for financial service providers based on technology. Title III mandates the CMF to regulate aspects of the open finance system such as the institutions and information subject to it, security mechanisms, standards for operation, and client consent.

Other provisions of the Fintech Law that became effective on February 3, 2023 and do not require further regulation by the CMF, include:

- Requirement for financial service providers, banks, insurance companies, securities intermediaries, commodities exchange brokers, fund managers, individual portfolios, savings and loan cooperatives and other financial institutions to implement policies, procedures, and controls to avoid offering products that do not meet their clients' needs, expectations, and risk tolerance.

- Prohibition to make misleading or deceptive statements or representations in the advertisement of financial products or services.

- Requirement for banks to offer current account services to financial service providers regulated by the Fintech Law and other entities on public, objective, and non-discriminatory terms.

Furthermore, also on February 3, 2023, the Fintech Law amended other regulations. Key points of these amendments include:

- Elimination of the requirement to register securities' issuers with the CMF's securities registry, except for issuers of securities in public offerings, which must still be registered.

- Allowing securities intermediaries to act as commodities brokers and commodities brokers to act as stockbrokers.

- Increasing the threshold of number of shareholders a corporation or limited partnership must have before being required to register its shares in the CMF's securities registry from 500 to 2,000.

- Removing the need for CMF approval for amending bylaws of special corporations if the share capital increase is made in cash.

- Adding new obligated parties required to report to the Chilean Financial Analysis Unit ("FAU"), including entities providing financial services such as crowdfunding, alternative transactions, instrument custody, financial instrument intermediation, and payment initiation. Additionally, entities subject to CMF supervision and voluntarily registered with the FAU are also obligated to report.

On January 12, 2024, the CMF issued General Rule No. 502 (Norma de Carácter General N° 502), which regulates the registration and authorization process for companies providing specific fintech services, such as crowdfunding platforms, alternative transaction systems, credit and investment advice, custody of financial instruments, order routers and financial instrument intermediaries. Under this regulation, entities interested in providing such services will have to file for registration in the Financial Services Providers Registry carried out by the CMF. Once the registration process is completed and approved by the CMF, registered entities should request a specific authorization to provide a regulated fintech service. General Rule No. 502 will enter into force on February 3, 2024, and the existing entities obligated to file for registration will have a period of 12 months to present their filings with the CMF. However, from February

3, 2024, investment advisors would not be able to provide their services if they are not registered in the Financial Services Providers Registry.

Registrants registered in the Registry of Financial Services Providers and in the Registry of Payment Initiation Service Providers maintained by the CMF are subject to the Fintech Law and the Financial Analysis Unit.

On July 3, 2024, after a public consultation process, the CMF issued General Rule No. 514 (*Norma de Carácter General N°514*) which regulates the Open Finance System (*Sistema de Finanzas Abiertas*) established by Law No. 21,521. The Open Finance System (the "OFS") is intended to create an environment for the exchange of financial client information (who have expressly consented thereto) among the various financial service providers that qualify, under the provisions of the Fintech Law, as participating entities of the OFS. The General Rule No. 514 regulates the following matters: (i) Perimeter of the SFA; (ii) Operation of the SFA; (iii) Security and Safeguards; (iv) SFA Information; (v) Other Provisions; and (vi) Inclusion of Regulatory Annexes for the information to be submitted by regulated entities.

On December 2, 2024, the CMF issued General Rule No. 524 (*Norma de Carácter General N° 524*), introducing certain amendments to General Rule No. 502 in connection with the registration, authorization and obligations of financial service providers under the Fintech Law.

Financial System Resiliency

On December 30, 2023, Law 21,641 was published in the Official Gazette, aiming to strengthen the resilience of the financial system and its infrastructure. Law 21,641 responds to the economic and financial circumstances that the Central Bank has had to face in the last few years due to the economic crisis caused by the coronavirus pandemic and introduces various amendments to the Chilean financial system regulation, including the following:

(i) Improving the market of sale and repurchase agreements, regulating the functioning of such transactions within a company reorganization or liquidation process, to provide certainty in case of default by a party.

(ii) Extending access to services by the Central Bank to non-bank financial institutions and financial market infrastructure companies which will be able to access credit lines, financings and refinancings, and credits in case of emergency due to temporary lack of liquidity.

(iii) Improving the institutional framework for financial market infrastructure, allowing, among other things, securities depository and custodian companies to perform clearing functions and access settlement accounts, and allowing the CMF to recognize foreign central counterparties to operate with local counterparties.

(iv) Enhancing certain aspects of the legislation applicable to savings and credit cooperatives (*Cooperativas de Ahorro y Crédito*).

(v) Creating a simplified procedure for obtaining a taxpayer number (*rol único tributario*) to facilitate the internationalization of the Chilean currency, mainly with respect to non-residents who engage in cross-border financial transactions in such currency.

(vi) Allowing stock exchanges to suspend trading in one or more securities for up to five trading days, including the possibility to suspend trading in all securities simultaneously, for a maximum period of one trading day, in order to protect the public's and investors' interest.

See also "—Legal Provisions Regarding Banking Institutions with Economic Difficulties" and "—Dissolution and Liquidation of Banks" above.

Other Regulatory Developments

On May 31, 2023, the Chilean Senate presented a bill creating the "Economic Intelligence Subsystem" (*Subsistema de Inteligencia Económica*) which focuses on: (i) strengthening of the economic intelligence ecosystem; (ii) prevention and early detection of suspicious economic transactions; and (iii) granting greater intrusive and sanctioning powers. For these purposes, the bill allows the Chilean Financial Analysis Unit (*Unidad de Análisis Financiero*) to trace the financial flow of criminal organizations, money laundering, terrorism financing, and other crimes linked to organized crime. After being introduced, the bill was analyzed in the Public Security Commission (*Comisión de Seguridad Pública*) and then passed to the Finance Committee of the Chilean Senate, which, following extensive debate and several amendments focused on bank secrecy, issued its opinion on the matters within its jurisdiction in January 2025 and approved the proposal. On March 19, 2025, the Senate, however, rejected the proposal to include in the bill special powers that would allow the Public Prosecutor's Office to lift the banking secrecy of criminal organizations without the need to request judicial authorization. As of the date of this Offering Circular, the bill remains under discussion by the Chilean Senate.

On August 17, 2023, Law No. 21,595 on economic crimes and offenses against the environment was published in Chile. This new law, among others, (i) systematizes a series of existing business-related offenses, (ii) penalizes new offenses based on money laundering, (iii) strengthens existing penalties by excluding from custodial sentences certain benefits that previously allowed economic crime offenders to avoid effective imprisonment, the confiscation of profits and fines, and (iv) amends several provisions to the Corporate Criminal Liability Act (Law No. 20,393, of 2009, as amended) by expanding the variety of criminal offenses that corporations can be found to have committed, thereby easing the requirements to hold corporations liable, and by establishing new penalties.

On November 16, 2023, the CMF initiated a third period for receiving comments in a public consultation process on the rule that regulates standardized methodology for calculating allowances for consumer loans and contingent loans granted by banks established in Chile. The CMF has estimated, based on consolidated information of the Chilean banking system as of December 2022, that the proposed model would increase the level of allowances by 18.1%, equivalent to U.S.$487 million. Therefore, the expected loss on the total portfolio would increase from 7.2% to 8.4%.

On November 23, 2022, the Integrated Information System on Derivatives Transactions ("SIID") was implemented by the Central Bank, regulating the collection, storage and dissemination of relevant information for the market and its regulators. The purpose of the SIID is to increase transparency and availability of information in the markets, both for the authorities and the general public, promote financial stability and prevent market abuses. According to the SIID, information must be provided on (i) the conditions of subscription, modification, termination and term of the respective derivative contracts entered into or granted by the reporting parties; (ii) the agents participating in the derivative transaction; (iii) the transaction itself; (iv) the payment schedule; (v) guarantees; and (vi) the market value.

On November 23, 2023, Law No. 21,632 was published in the Official Gazette with the objective to deter terrorism financing and money laundering. Chile created the obligation to report by means of an affidavit, the transportation, to or from Chile, of cash or bearer instruments exceeding US$10,000 or its equivalent in any other currency. The information provided in the affidavit will be processed by the Nacional Customs Office and the Financial Analysis Unit of Chile (*Unidad de Análisis Financiero*). Law No. 21,632 also increased the fine associated with the infringement of this requirement (from 10% to 30% of the value of the undeclared bearer instruments or cash). It creates a new criminal offense of money smuggling, and increases to up to 20 years the prison time for those who commit this offense. Moreover, under certain circumstances, Law 21,632 provides for leniency by allowing prosecutors to forego criminal prosecution if the offender agrees to pay an agreed-upon amount of money.

On November 30, 2023, the CMF issued Exempt Resolution No. 9077 (the "Resolution"), which approved a new category of foreign exchange operations. In particular, the Resolution modifies the category of transactions "denominated" in foreign currency to also include those "in" foreign currency. Pursuant to the Resolution, such transactions will be renamed "transactions in foreign currency and denominated in foreign currency" (i.e., those denominated and payable in a foreign currency). The purpose of the Resolution is to subject operations of credit and other money operations that are denominated and paid in foreign currency to the conventional maximum interest rate regulated by Law No. 18,010. As a result, if an interest rate above the maximum applicable conventional rate is established, such interest rate will be reduced to the current interest rate. Prior to the Resolution, this limit applied only to transactions denominated in foreign currency and payable in pesos, but not to those denominated and payable in foreign currency.

On December 4, 2023, the National Cybersecurity Policy for years 2023-2028 was published in the Official Gazette, replacing the previous policy published in April 2017. The new policy focuses on several aspects of cybersecurity, ranging from improvements to the national cybersecurity infrastructure to international coordination. In particular, the National Cybersecurity Policy sets forth the following goals: (i) infrastructure resilience; (ii) human rights; (iii) cybersecurity culture; (iv) national and international coordination; and (v) promotion of industry and scientific research.

On December 12, 2023, the Chilean Senate approved a framework law on cybersecurity and critical information infrastructure, which is pending review by the Constitutional Court to be enacted. The approved legislation provides a new institutional framework to enhance preventive work, form a public culture regarding digital security, face contingencies in the public and private sectors, and protect the safety of people in cyberspace. It defines essential services and the vital instance operators. The new law creates the National Cybersecurity Agency (*Agencia Nacional de Ciberseguridad* or ANCI), which will define security protocols and regulations to prevent and resolve cybersecurity incidents, and will oversee and apply administrative penalties to institutions that do not improve their cybersecurity in accordance with the regulations issued by ANCI, or do not respond adequately to incidents that occur. The approved law also creates the Cyber Incident Response Team (*Equipo de Respuesta a Incidentes de Seguridad Informática* or CSRIT) or multi-disciplinary centers to prevent, detect, manage and respond to cybersecurity incidents or cyberattacks in accordance with predefined procedures and policies.

In January 2024, the Central Bank updated the CNCI to modernize and systematize foreign exchange reporting. The updates introduced by the Central Bank include the creation of a new reporting system, SICAM, to streamline data submission and improve efficiency. The new CNCI will be implemented gradually, with full adoption by January 2026. The changes are part of the Central Bank's broader modernization process, initiated in 2019, and aim to facilitate data management while ensuring compliance with new regulatory requirements. On January 2024, the Corporación de Fomento de la Producción ("CORFO") published Resolution Nos. 122 and 123, establishing that venture capital private investment funds investing in the following sectors will be classified as "priority funds": (i) companies led by women, meaning legal entities incorporated in Chile for profit in which one or more women have at least 50% of the capital, or one or more women have at least 30% of the capital and one or more women are the legal representatives of the company; and (ii) companies involved in the "decarbonization of the productive matrix", such as reducing carbon emissions through the substitution or replacement of the use of energy sources based on coal or hydrocarbons such as oil or gas. As "priority funds", such entities will be able to raise funds with CORFO with reduced interest rates and will not be required to pay any additional interest.

On January 19, 2024, Law No. 21,654 was published in the Official Gazette, amending Chile's Constitution to allow further extensions of any state of emergency decreed by the President of the Republic for periods of 30 days as counting from its sixth successive extension. Previously, extensions were allowed for periods of only 15 days. Extensions must be made with the prior approval of the Chilean Congress.

On February 5, 2024, Law No. 21,648 was published in the Official Gazette, amending the Tax Code and establishing the obligation to inform the initiation of business (*iniciación de actividades*) to the Chilean Internal Revenue Service for any person who remains in Chile, whether uninterruptedly or not, for a period or periods that in total exceed 183 days, within any twelve-month period, who operate in foreign trade when, within a rolling 12-month period, they make imports to Chile with a transaction value each of at least US$3,000, unless they can prove that the goods are for their personal consumption or use. The amendment intends to contribute to the Chilean Internal Revenue Service's and the National Customs Service's control of tax infractions and customs offenses and the prosecution of organized crime, as they will be able to supervise these types of operations that typically facilitate informal trade.

On February 9, 2024, Law No. 21,658 was published in the Official Gazette, which creates the Secretary of Digital Government within the Secretary's Office and General Administration of the Ministry of Finance. This secretary is responsible for supporting the strategic use of digital technologies, data and public information to improve the management of state administration agencies and the delivery of services.

On February 16, 2024, the CMF issued General Rule No. 506 (*Norma de Carácter General N° 506*), amending General Rule No. 325. The purpose of the amendment is to update risk management regulations in the insurance industry, incorporating the risk of money laundering, financing of terrorism and proliferation of weapons of mass destruction as a risk to be evaluated together with legal risk. The amendment also seeks to homogenize the risk assessment approach of insurance companies with respect to other supervised industries, such as banks and securities, in addition to adjusting the levels of capital strength that these companies must comply with.

On April 1, 2024, the government submitted a series of amendments to the Tax Compliance Bill of Law within the Pact for Economic Growth, Social Progress and Fiscal Responsibility. The government submitted the original bill to the Chilean Congress on January 29, 2024. The bill's aim is to collect 1.5% of the gross domestic product, combat tax evasion, and modernize tax administrations. The bill includes several modifications, such as to the Tax Code, Income Tax Law and Value Added Tax Law, and certain transitional regimes, such as to regularize foreign capital. As of the date of this Offering Circular, the bill is being debated in the Chilean Congress.

On April 8, 2024, Law No. 21,663 was published in the Official Gazette, establishing the institutional framework, principles and regulations to structure, regulate and coordinate governmental agencies' cybersecurity actions among themselves and individuals; setting the minimum requirements for the prevention, containment, resolution and response to cybersecurity incidents; and establishing the powers and obligations of the government agencies, as well as the duties of the institutions providing essential services, and the mechanisms of control, supervision and responsibility in case of violations.

On May 30, 2024, Law No. 21,673 was published in the Official Gazette, setting forth measures to prevent over-indebtedness. Among the main measures adopted by the law, the assets of the Special Guarantee Fund were increased from US$50 million to US$208 million. Additionally, the law extended the duration of the Special Guarantee Fund until December 2024. The law also created the Guarantees Program to Support Indebtedness, providing that individuals who meet certain eligibility criteria can benefit from the fund's guarantee, called "Refinancing Guarantees". Furthermore, it amended Law No. 18,010, on credit transactions, by providing that the CMF may determine the formula for the calculation of the minimum amount, or the variables to be considered for its determination, to be paid periodically by the debtors of money credit transactions originating in the use of credit cards through a revolving or recast credit line.

Additionally, Law No. 21,673 amended Law No. 20,009, which establishes a liability limitation regime for holders or users of payment cards and electronic transactions in case of loss, theft, robbery or fraud and contemplates measures to avoid the so-called bank "auto frauds", requiring banking entities to reimburse the unrecognized amounts up to UF 35 (approximately Ch$1,312,500), based on a sworn statement of the user and a complaint before a criminal authority.

On July 3, 2024, Law No. 21,680 was published in the Official Gazette, creating a consolidated debt registry to centralize financial debt information that will be carried out by the CMF. This registry will consist of information to be provided by certain financial entities acting as creditors, such as banks, insurance companies, credit card issuers, securitization companies, fund managers and credit advisors, among others, and it aims to improve credit assessments and enhance the CMF's regulatory oversight. Financial institutions and CMF-supervised entities are expected to access this registry to assess credit and commercial risks. The reporting entities will be responsible for maintaining the confidentiality and ensuring the exclusive use of the information for the purposes provided by law, including within the respective entity itself. Information on debts overdue for more than five years will require explicit debtor consent. Debtors will have access to their credit details, including reportable obligations, payment status, and a history of data access over the past year. The law, effective as of April 1, 2026, is expected to promote greater transparency and fair credit treatment.

On July 3, 2024, the CMF issued General Rule No. 514 (*Norma de Carácter General N° 514*), which regulates the Open Finance System (*Sistema de Finanzas Abiertas*) established by the Fintech Law. This rule aims to facilitate the entry of new financial service providers, promote innovation, and improve access to financial products for traditionally excluded individuals and groups and establishes a series of requirements and parameters for the information exchanges among Open Finance System (*Sistema de Finanzas Abiertas*) participants, in addition to regulating the quality of information and testing, contingency communication, security, operational risk and data management within the framework of the system's operation. General Rule No. 514 creates two new registries and two lists to be carried out by the CMF in which the system's participants will be registered, which are the following: (i) Registry of Information Based Service Providers; (ii) Registry of Payment Initiation Service Providers; (iii) List of Information Provider Institutions; and (iv) List of Information Based Services Providers. Its implementation will be gradual, starting in July 2026, and will vary based on participant type and data categories.

On July 3, 2024, the Central Bank amended Chapters III.J.1., III.J.1.3. and III.J.2. of the CNF, which regulates the issuance and operation of payment cards. These amendments aim to update regulations for payment processing service providers and introduce two new business models: (i) cross-border acquiring models for payments to merchants located abroad with Chilean-issued cards, and (ii) closed payment systems for transactions between accounts of the same prepaid card issuer. The purpose of the amendments is to promote the development of efficient, safe and inclusive payment systems, so that more people can benefit from the use of electronic means of payment, while establishing safeguards and prudential criteria to preserve the security and continuity of these systems.

On July 9, 2024, the Central Bank regulated the "bank self-securitization" or "retained securitization", amending the regulations on conditions for the sale and acquisition of bank portfolios to securitization companies, contained in Chapter III.B.4 of the CNF. Under the new rule, banks operating in Chile may sell or assign part of the loans in their own portfolio to a securitization company so that the latter may issue securitized debt instruments, which may be acquired by the same banking institution without having been previously sold in the market. Part of the respective issue may also be placed in the market. These securitized instruments may be used as collateral for liquidity management transactions, either in favor of the Central Bank or another financial institution.

On July 25, 2024, the CMF published General Rule No. 515 and General Rule No. 516. Both regulations establish a single communication channel between the supervised entities and the CMF, without differentiating by type of industry, called "CMF Supervises" (*CMF Supervisa*). They also establish common criteria for the communication of essential and reserved information.

On August 24, 2024, Law No. 21,690 was published in the Official Gazette, which introduces amendments to the Labor Code and other legal bodies regarding labor inclusion of people with disabilities and disability pension assignees. Among the main amendments introduced are the following: (i) the minimum percentage of workers with disabilities that companies with 100 or more employees must have is increased from 1% to 2%; (ii) in the case of companies that subcontract people with disabilities through third parties that hire people with disabilities, individuals with disabilities must provide services to the company ultimately receiving the services, and cannot be simultaneously considered an employee for the purposes of this law of the third party service provider and the company ultimately receiving the services; (iii) alternative compliance with this law may be given through donations to institutions with have programs that seek labor inclusion of people with disabilities; and (iv) the establishment of fines for non-compliance in hiring will be issued for each month of non-compliance and for each worker with disabilities that should have been hired.

On September 25, 2024, the Chilean Congress approved the Tax Compliance Bill. In general, this bill contemplates a series of measures, including: (i) strengthening the auditing function to combat tax evasion and elusion, (ii) modernizing the tax administration, (iii) making the lifting of bank secrecy more flexible and limiting in certain instances the ability of taxpayers to oppose such lifting in an expedited procedure, (iv) strengthening Chile's Taxpayer's Defense Office, (v) making it easier for taxpayers to comply with their tax obligations, (vi) tackling informality and improving the governance of the Chilean Internal Revenue Service, among other matters. The implementation of these proposals is expected to generate a collection of 1.5% of the gross domestic product, equivalent to approximately US$4,500 million. As of the date of this Offering Circular, the enactment and publication in the Official Gazette of this bill is still pending.

On October 24, 2024, Law No. 21,713 was published in the Official Gazette, introducing measures to ensure compliance with tax obligations in line with Chile's economic growth and fiscal responsibility objectives. The law came into effect on November 1, 2024, although several provisions will be phased-in over time. The key aspects of this law, among others, relate to: (i) corporate reorganizations, including the legal recognition of international reorganizations, and the requirements allowing the Chilean Internal Revenue Service to appraise reorganization transaction values; (ii) international taxation, including the strengthening of transfer pricing rules, modifications regarding the relationship rules in the case of provisions associated with controlled foreign corporations, and the substitution of the definition of jurisdictions with a preferential tax regime; (iii) a specific voluntary disclosure program regarding assets and income abroad not timely declared or taxed in Chile; (iv) modifications regarding the procedure to request information subject to bank secrecy; (v) multiple amendments regarding audit matters, including reporting obligation for digital platforms, the calculation of default interest, audit processes, tax penalties and infractions, among others; (vi) VAT, including modifications on the VAT applicable to digital services and the refund of export VAT process; (vii) modifications to the Tax Ombudsman; and (viii) general anti-avoidance rules, maintaining a judicial procedure, but preceded by the opinion of a newly created executive committee responsible for recommending whether the general anti-avoidance rules should be applied.

On October 28, 2024, the CMF issued General Rule No. 519 (*Norma de Carácter General N° 519*) amending General Rules Nos. 30 and 461 regarding integrated annual reporting. A key change introduced by this regulation is that securities issuers will have to disclose sustainability information according to the IFRS S1 and S2 standards established by the International Sustainability Standards Board (ISSB). This requirement will apply to the 2026 fiscal year, and issuers must submit their first reports in 2027. Additionally, issuers whose consolidated assets are below UF 1,000,000 (approximately US$40 million) are exempt from preparing a full integrated annual report and must produce a simplified report or have the option to voluntarily follow the full standard as specified in the regulation.

On December 13, 2024, Law No. 21,719 was published in the Official Gazette, amending Law No. 19,628 on Personal Data Protection. The law is inspired by the European Union's General Data Protection Regulation and aims to enhance privacy standards while balancing the free flow of information. Key amendments include (i) the creation of the Personal Data Protection Agency, (ii) increased obligations for data controllers, (iii) strengthening of access, rectification, cancellation and opposition rights, (iv) introduced the right to portability of personal data, allowing holders to request and obtain copies of their personal data in a format that can be operated by different systems, as well as to communicate or transfer it to another data controller; and (v) significant sanctions of up to 20,000 *Unidades Tributarias Mensuales* (approximately US$1.4 million). The law will take effect in December 2026, following a transitional period.

On December 23, 2024, the CMF issued General Rule No. 527 (*Norma de Carácter General N° 527*), which amends General Rules Nos. 507 and 468, relating to the quality of risk management for general fund managers and minimum equity and guarantee requirements for these entities and those that manage third-party assets. The rule details the evaluation process that the CMF will use to check corporate governance and risk management systems, as part of the CMF's risk-based supervision. The evaluation results could increase minimum equity and guarantee requirements if an entity's risks are not well managed, and could harm the entity's solvency, public trust, or financial stability. Also, the rule amends the minimum capital requirement for general fund managers. Instead of a paid-in capital of UF 10,000 (approximately US$400,000), they must keep a minimum equity as set by the regulations, which will be the higher of UF 5,000 (approximately US$200,000) or 3% of risk-weighted assets. Both changes have legal vacancy provisions and will take full effect between January 1, 2026, and July 1, 2027.

On January 28, 2025, the Chilean government submitted a bill aimed at mitigating the impact of high interest rates on mortgage loans by reducing these rates, benefiting buyers and lowering their monthly payments. This bill also proposes the implementation of a state subsidy designed to facilitate home purchases for middle-income families and reactivate the construction and real estate sectors. The benefit consists in a subsidy of up to 60 basis points on the interest rate for mortgage loans, and applies to homes valued at no more than UF 4,000 (approximately US$133,000). Additionally, the subsidy is complemented by a state guarantee denominated "*Garantías Apoyo a la Vivienda Nueva*", which will be available to individuals or legal entities that meet all the following eligibility criteria: the credit must be for financing new housing, the property's value must not exceed UF 4,000, and it must comply with the additional requirements established in the relevant decrees. Additionally, the fund cannot guarantee more than 60% of the property's value. The goal is to support families who, while not in a vulnerable situation, face difficulties in saving for the down payment required to purchase a home. The Chamber of Deputies approved the bill at the end of March 2025 and the bill was moved on to the next legislative stage in the Chilean Senate.

DESCRIPTION OF THE NOTES

General

The Issuer may issue and have outstanding from time to time up to U.S.$3,000,000,000 principal amount in the aggregate of medium-term notes (the "Notes") under this Program. The minimum specified denomination of the Notes will be as specified in the applicable Pricing Supplement. The Notes will have the terms described below, including, as described below, the terms specified in the Pricing Supplement of the applicable Series of Notes, except that references below to interest payments and interest-related information do not apply to certain Notes issued at an issue price less than its stated redemption price at maturity ("OID Notes").

The Notes are issued under a Fiscal and Paying Agency Agreement dated as of September 30, 2022 among the Issuer, Citibank, N.A., London Branch, as fiscal agent and paying agent (in such capacity, the "Fiscal and Paying Agent"), transfer agent, registrar and calculation agent (as further amended and supplemented from time to time, the "Fiscal Agency Agreement"), in registered or bearer form as specified in the applicable Pricing Supplement. The following description of certain provisions of the Fiscal Agency Agreement is subject to, and qualified in its entirety by reference to, all the provisions of the Fiscal Agency Agreement, including the definitions therein of certain terms.

The Issuer may, from time to time, re-open one or more series of Notes (each, a "Series") and issue Additional Notes (as defined below in "Additional Notes") with the same terms (including maturity and interest payment terms but excluding original issue date and public offering price) as Notes issued on an earlier date; provided that a Series of Notes may not comprise both Notes in bearer form and Notes in registered form. After such Additional Notes are issued they will be fungible with the previously issued Notes to the extent specified in the applicable Pricing Supplement, provided further that if the Additional Notes are not fungible with the earlier Notes for United States federal income tax purposes, the Additional Notes will have a separate security identifier number. Each such Series may contain one or more tranches of Notes (each, a "Tranche") having identical terms, including the original issue date and the public offering price; provided that a Tranche of Notes may not comprise both Notes in bearer form and Notes in registered form.

The Pricing Supplement relating to a Tranche of Notes issued by the Issuer will describe the following terms: (i) the currency or composite currency in which the Notes of such Tranche will be denominated (each such currency or composite currency, a "Specified Currency") and, if other than the Specified Currency, the currency or composite currency in which payments on the Notes of such Series will be made (and, if the Specified Currency or currency or composite currency of payment is other than U.S. dollars, certain other terms relating to such Notes (a "Foreign Currency Note") and such Specified Currency or such currency or composite currency of payment); (ii) whether such Notes are Fixed Rate Notes or Floating Rate Notes (including whether such Notes are Regular Floating Rate Notes, Floating Rate/Fixed Rate Notes or Inverse Floating Rate Notes, each as defined below); (iii) the price at which such Notes will be issued (the "Issue Price"); (iv) the date on which such Notes will be issued (the "Original Issue Date"); (v) the date on which such Notes will mature; (vi) whether such Notes are Senior Notes or Subordinated Notes (each as defined below) and, if Subordinated Notes, the terms of the subordination; (vii) if such Notes are Fixed Rate Notes, the rate per annum at which such Notes will bear interest, if any; (viii) if such Notes are Floating Rate Notes, the base rate (the "Base Rate"), the initial interest rate (the "Initial Interest Rate"), the minimum interest rate (the "Minimum Interest Rate") (provided that if no Minimum Interest Rate is specified or if indicated that the Minimum Interest Rate is "not applicable," the Minimum Interest Rate shall be zero), the maximum interest rate (the "Maximum Interest Rate"), the Interest Payment Dates, the period to maturity of the instrument, obligation or index with respect to which the calculation agent will calculate the interest rate basis or bases (the "Index Maturity"), the Spread and/or Spread Multiplier (all as defined below), if any; (ix) whether such Notes may be redeemed at the option of the Issuer, or repaid at the option of the holder, prior to its stated maturity as described under "—Optional Redemption" and "—Repayment at the Noteholders' Option; Repurchase" below and, if so, the provisions relating to such redemption or repayment; (x) any relevant tax consequences associated with the terms of the Notes which have not been described under "Certain Tax Legislation Affecting the Notes"; and (xi) if such Notes are Additional Notes (as defined below), a description of the original issue date and aggregate principal amount of the prior Tranche of Notes having terms (other than the original issue date and public offering price) identical to such Additional Notes. In addition, each Pricing Supplement with respect to a Tranche of Notes will identify the Dealer(s) participating in the distribution of such Notes. See "Plan of Distribution." Each Pricing Supplement relating to Notes will be in, or substantially in, the relevant forms included under "Form of Pricing Supplement."

If any Notes are to be issued as Foreign Currency Notes, the applicable Pricing Supplement will specify the currency or currencies, which may be composite currencies, in which the purchase price of such Notes are to be paid by the purchaser, and the currency or currencies, which may be composite currencies, in which the principal at maturity or earlier redemption, premium, if any, and interest, if any, with respect to such Notes may be paid, if applicable. See "Special Provisions Relating to Foreign Currency Notes."

Subject to such additional restrictions as are described under "Special Provisions Relating to Foreign Currency Notes," Notes of each Tranche will mature on a day specified in the applicable Pricing Supplement, as selected by the initial purchaser and agreed to by the Issuer. In the event that such maturity date of any Notes or any date fixed for redemption or repayment of any Notes (collectively, the "Maturity Date") is not a Business Day (as defined below), principal and interest payable at maturity or upon such redemption or repayment will be paid on the next succeeding Business Day with the same effect as if such Business Day were the Maturity Date. No interest shall accrue for the period from and after the Maturity Date to such next succeeding Business Day. Except as may be specified in the applicable Pricing Supplement, all Notes will mature at par.

In the case of Fixed Rate Notes, the applicable Pricing Supplement will specify the yield as of the Original Issue Date. The yield is calculated at the Original Issue Date on the basis of the Issue Price. It is not an indication of future yield.

"Business Day" means, unless otherwise specified in the applicable Pricing Supplement, any day other than a Saturday or Sunday or any other day on which banking institutions are generally authorized or obligated by law or regulation to close in the principal financial center of the country of the currency in which the Notes are denominated and any additional financial center specified in the applicable Pricing Supplement (as the case may be); provided, however, that with respect to Notes denominated in euro, such day is a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

Forms of Notes

Registered Notes

If specified in the applicable Pricing Supplement, Notes of each Tranche will be in fully registered form ("Registered Notes"). The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will be represented by a global note in registered form (a "Regulation S Global Note"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to QIBs. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "Rule 144A Global Note" and, together with a Regulation S Global Note, the "Registered Global Notes").

Registered Global Notes will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC"); provided that if all Notes of a Series or Tranche are offered outside of the United States in reliance on Regulation S, the Regulation S Registered Global Notes representing such Notes may, alternatively, be deposited with a common depositary for, and registered in the nominee name of a common depositary of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement (and in either case the "Register"). Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will be made to the person shown on the Register as the registered holder of the Registered Global Notes. None of the Issuer, the Fiscal and Paying Agent, any Paying Agent, the Transfer Agent or any Registrar (as defined below) will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined below) immediately preceding the due date for payment in the manner provided in that paragraph.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons, receipts or talons attached only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (ii) in the case of Notes registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen days (other than by reason of holiday, statutory or otherwise) or have announced an intention to permanently cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer is in default of its obligations under the Notes represented by the relevant Registered Global Note.

In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Fiscal and Paying Agent or the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the relevant Fiscal and Paying Agent or the Registrar, as the case may be.

Bearer Notes

If specified in the applicable Pricing Supplement, Notes of each Tranche will be in bearer form ("Bearer Notes") and will initially be represented by one or more temporary global Notes or permanent global Notes, without interest coupons attached and, in the case of definitive Notes, will be serially numbered and will:

(i) if any such global Note is intended to be issued in new global note ("NGN") form, as stated in the applicable Pricing Supplement, be delivered to a common safekeeper (the "Common Safekeeper") for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg") (each an "ICSD" and together the "ICSDs"):

(a) *records of the ICSDs*. The principal amount and/or number of each Note represented by the global Note shall be the amount from time to time entered in the records of both ICSDs, provided, however, that the aggregate principal amount of Notes represented by a global Note shall be as set forth on the face of such note. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount and/or number of each Note represented by the global Note and, for these purposes, a statement (which statement shall be made available to the bearer upon request) issued by an ICSD stating the principal amount and/or number of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time;

(b) on any redemption or payment of an installment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by such global Note the Issuer shall procure that details of any redemption, payment, or purchase and cancellation (as the case may be) in respect of the global Note shall be entered on a *pro rata* basis in the records of the ICSDs and, upon any such entry being made, the principal amount and/or number of the Notes recorded in the records of the ICSDs and represented by the global Note shall be reduced by the aggregate principal amount and/or number of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such installment so paid; and

(ii) if any such global Note is to be issued in classic global note form ("CGN"), be delivered to a common depositary (the "Common Depositary") for Euroclear and Clearstream, Luxembourg or any other recognized or agreed clearing system.

Bearer Notes in definitive form will be issued with coupons attached. Except as set out below, title to Bearer Notes and any coupons will pass by delivery. The Issuer, the Fiscal and Paying Agent and any Paying Agent (as defined below) may deem and treat the bearer of any Bearer Note or coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding sentence. For so long as any of the Notes are represented by a global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Fiscal and Paying Agent and any Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Issuer, the Fiscal and Paying Agent and any Paying Agent solely in the bearer of the relevant global Note in accordance with and subject to its terms (and the expressions "Noteholder" and "Holder of Notes" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References herein to "Bearer Notes" shall, except where otherwise indicated, include interests in a temporary or permanent global Note as well as definitive Notes and any coupons attached thereto.

The applicable Pricing Supplement will specify whether (i) the TEFRA C Rules, (ii) the TEFRA D Rules or (iii) if the Notes do not have a maturity of more than 365 days (including unilateral rights to rollover or extend), neither the TEFRA C Rules nor the TEFRA D Rules, are applicable to the Notes. If so specified in the applicable Pricing Supplement, in the case of a Bearer Note to which the TEFRA D Rules have not been specified to apply, the Bearer Notes may be represented upon issue by one or more permanent global Notes.

Each Bearer Note having a maturity of more than 365 days (including unilateral rights to rollover or extend) and interest coupons pertaining to such Note, if any, will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

In general, Bearer Notes that are subject to the TEFRA C Rules or the TEFRA D Rules may not be offered, sold or delivered within the United States or to United States persons. In particular, if the applicable Pricing Supplement specify that the TEFRA D Rules apply, the Bearer Notes may not be delivered, offered, sold or resold, directly or indirectly, in connection with their original issuance or during the Restricted Period (as defined below), in the United States (as defined below) or to or for the account of any United States person (as defined below), other than to certain persons as provided under United States Treasury regulations. An offer or sale will be considered to be made to a person within the United States if the offeror or seller has an address within the United States for the offeree or purchaser with respect to the offer or sale. In addition, any underwriters, agents and dealers will represent that they have procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling Bearer Notes are aware of the restrictions on the offering, sale, resale or delivery of Bearer Notes.

As used herein in this section, "United States" means the United States (including the States and the District of Columbia), its territories and its possessions. "United States person" means (i) a citizen or individual resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia or (iii) an estate or a trust the income of which is subject to U.S. federal income taxation regardless of its source. "Restricted Period" with respect to each Tranche of Notes means the period which begins on the earlier of the settlement date (or the date on which the Issuer receives the proceeds of the sale of Bearer Notes of such Tranche), or the first date on which the Bearer Notes of such Tranche are offered to persons other than the Dealers, and which ends 40 days after the settlement date (or the date on which the Issuer receives the proceeds of the sale of such Bearer Notes); provided that with respect to a Bearer Note held as part of an unsold allotment or subscription, any offer or sale of such Bearer Note by the Issuer or any Dealer shall be deemed to be during the Restricted Period. An "Ownership Certificate" is a certificate (in a form to be provided), signed or sent by the beneficial owner of the relevant Bearer Note or by a financial institution or clearing organization through which the beneficial owner holds the Bearer Note providing certification that the beneficial owner is not a United States person or person who has purchased for resale to any United States person as required by United States Treasury regulations except that in the case of Bearer Notes represented by a global note such certification may be provided by the beneficial owner or relevant clearing system participant on its behalf, as applicable, in accordance with the rules and procedures of the relevant clearing system.

Unless otherwise specified in the applicable Pricing Supplement, each Bearer Note will be represented initially by a temporary global Note, without interest coupons which will (a) if the temporary global Note is intended to be issued in NGN form, as stated in the applicable Pricing Supplement, be delivered on or prior to the Original Issue Date of the Tranche of Notes to a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (b) if the temporary global Note is to be issued in CGN form, be delivered on or prior to the Original Issue Date of the Tranche of Notes to a Common Depositary for Euroclear and Clearstream, Luxembourg, or any other recognized or agreed clearing system in the case of a temporary global Note issued in CGN form. Upon deposit of each such temporary global Note, Euroclear or

Clearstream, Luxembourg, as the case may be, will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. The interests of the beneficial owner or owners in a temporary global Note will be exchangeable after the expiration of the Restricted Period (the "Exchange Date") for an interest in a permanent global Note which will (a) if the permanent global Note is intended to be issued in NGN form, as stated in the applicable Pricing Supplement, be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (b) if the permanent global Note is not intended to be issued in NGN form, be delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg, for credit to the account designated by or on behalf of the beneficial owner thereof, or for definitive Bearer Notes or definitive Registered Notes, as provided in the applicable Pricing Supplement; provided, however, that such exchange will be made only upon receipt of Ownership Certificates in the case of Bearer Notes to which the TEFRA D Rules have been specified to apply.

If so specified in the applicable Pricing Supplement, in the case of a Bearer Note to which the TEFRA D Rules have not been specified to apply, the Bearer Notes may be represented upon issue by one or more permanent global Notes.

Exchange and Transfer of Notes

A temporary global Note will be exchangeable in whole but not in part for definitive Bearer Notes (i) if Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system, as applicable, has informed the Issuer that it has or they have, as the case may be, ceased or will cease to act as the clearing system(s) in respect of the relevant temporary global Note or, (ii) if required by law; but only, in each case, in the case of Bearer Notes to which the TEFRA D Rules have been specified to apply, on or after the Exchange Date and upon delivery of Ownership Certificates. No definitive Bearer Note will be delivered in or to the United States or to a United States person, except as specifically provided by applicable United States Treasury regulations. In the event that the relevant temporary global Note is not, in the case of (i) or (ii) above, duly exchanged for definitive Bearer Notes then the terms of such temporary global Note provide for relevant account holders with Euroclear and Clearstream, Luxembourg and any other agreed clearing system, as applicable, to be able to enforce against the Issuer all rights which they would have had if they had been holding definitive Bearer Notes of the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholder and operate as full and final discharge to the Issuer in this respect.

A permanent global Note will be exchangeable in whole but not in part for definitive Bearer Notes (i) if Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system, as applicable, has informed the Issuer that it has or they have, as the case may be, ceased or will cease to act as the clearing system(s) in respect of the relevant permanent global Note or, (ii) if an Event of Default occurs, unless such event is remedied within seven days of its occurrence. In order to make such request the holder must, not less than 45 days before the date on which delivery of definitive Bearer Notes is required, deposit the relevant permanent global Note with the relevant Paying Agent (as defined below) at its specified office outside the United States for the purposes of the Notes with the form of exchange notice endorsed thereon duly completed. No definitive Bearer Note will be delivered in or to the United States or to a United States person, except as specifically provided by applicable United States Treasury regulations. In the event that the relevant permanent global Note is not, in the case of (i) or (ii) above, duly exchanged for definitive Bearer Notes then the terms of such permanent global Note provide for relevant account holders with Euroclear and Clearstream, Luxembourg and any other agreed clearing system as applicable, to be able to enforce against the Issuer all rights which they would have had if they had been holding definitive Bearer Notes of the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholder and operate as full and final discharge to the Issuer in this respect.

If specified in the applicable Pricing Supplement, and subject to the terms of the Fiscal Agency Agreement, definitive Bearer Notes (along with all unmatured coupons, and all matured coupons, if any, in default) will be exchangeable at the option of the holder into Registered Notes of any authorized denominations of like tenor and in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement at the office of the relevant Registrar or at the office of any Transfer Agent outside the United States designated by the Issuer for such purpose. See "—Registrar and Transfer Agents" below. If specified in the applicable Pricing Supplement, and subject to the terms of the Fiscal Agency Agreement, definitive Bearer Notes (along with all unmatured coupons, and all matured coupons, if any, in default) will be exchangeable at the option of the holder into Registered Notes of any authorized denominations of like tenor and in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement at the office of the Fiscal Agent or at the office of any Registrar or Transfer Agent outside the United States designated by the Issuer for such purpose. See "—Registrar and Transfer Agents" below. Definitive Bearer Notes surrendered in exchange for Registered Notes after the close of business at any such office (i) on or after any record date for the payment of interest (a "Regular Record Date") on a Registered Note on an Interest Payment Date (as defined below) and before the close of business at such office on the date prior to the relevant Interest Payment Date, or (ii) on or after any record date to be established for the payment of defaulted interest on a Registered Note ("Special Record Date") and before the opening of business at such office on the related proposed date for payment of defaulted interest, shall be surrendered without the coupon relating to such date for payment of interest. Definitive Bearer Notes will be exchangeable for definitive Bearer Notes in other authorized denominations, in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement and at the offices of any Paying Agent outside the United States appointed by the Issuer for such purpose. See "—Registrar and Transfer Agents" below.

Bearer Notes surrendered in exchange for Registered Notes after the close of business at any such office (i) on or after any record date for the payment of interest (a "Regular Record Date") on a Registered Note on an Interest Payment Date (as defined below) and before the close of business at such office on the date prior to the relevant Interest Payment Date, or (ii) on or after any record date to be established for the payment of defaulted interest on a Registered Note ("Special Record Date") and before the opening of business at such office on the related proposed date for payment of defaulted interest, shall be surrendered without the coupon relating to such date for payment of interest. Definitive Bearer Notes will be exchangeable for definitive Bearer Notes in other authorized denominations, in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement and at the offices of any Paying Agent outside the United States appointed by the Issuer for such purpose. See "—Registrar and Transfer Agents" below.

Registered Notes will be exchangeable for Registered Notes in other authorized denominations, in an equal aggregate principal amount upon surrender of any such Notes to be exchanged at the offices of the relevant Registrar or any transfer agent designated by the Issuer for such purpose. Registered Notes will not be exchangeable for Bearer Notes. Registered Notes may be presented for registration of transfer at the offices of the relevant Registrar or any transfer agent designated by the Issuer and for such purpose. See "—Registrar and Transfer Agents" below. No service charge will be made for any registration of transfer or exchange of Notes but the Issuer may require payment of a sum sufficient to cover any transfer taxes payable in connection therewith. Except as described above, Bearer Notes and any coupons appertaining thereto will be transferable by delivery. See "—Forms of Notes—Bearer Notes" above.

The Issuer shall not be required (i) to register the transfer of or exchange Notes to be redeemed for a period of 15 calendar days preceding the first publication of the relevant notice of redemption, or if Registered Notes are outstanding and there is no publication, the mailing of the relevant notice of redemption, (ii) to register the transfer of or exchange any Registered Note selected for redemption or surrendered for optional repayment, in whole or in part, except the unredeemed or unpaid portion of any such Registered Note being redeemed or repaid, as the case may be, in part, (iii) to exchange any Bearer Note selected for redemption or surrendered for optional repayment, except that such Bearer Note may be exchanged for a Registered Note of like tenor; provided that such Registered Note shall be simultaneously surrendered for redemption or repayment, as the case may be, or (iv) to register transfer of or exchange any Notes surrendered for optional repayment, in whole or in part.

Status

Each Note will be unsecured and will be either a senior or a subordinated debt obligation ("Senior Notes" and "Subordinated Notes," respectively). Senior Notes will rank equally in right of payment with all other unsecured and unsubordinated obligations of the Issuer thereof and will be subordinated to obligations to the extent mandated by law in case of the Issuer's liquidation, including with respect to claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses. Subordinated Notes will rank junior in right of payment to all senior indebtedness as specified in the applicable Pricing Supplement, which will set forth the applicable terms of such subordination. The Issuer will not make any payment of principal, premium, if any, or interest in respect of the Subordinated Notes unless all amounts then due on its senior indebtedness have been paid in full.

Payments and Paying Agents

Payment of principal and of premium, if any, and interest on Registered Notes at maturity or upon redemption or repayment will be made in immediately available funds in the Specified Currency (unless otherwise specified in the applicable Pricing Supplement) against presentation of such Note at the office of the relevant Paying Agent. Payment of interest on Registered Notes will be made to the person in whose name such Note is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date either by check mailed to the address of the person entitled thereto as such address shall appear in the security register or by wire transfer to an account selected by the person entitled thereto if appropriate wire instructions have been received by the relevant Paying Agent not less than 10 calendar days prior to the applicable payment date; provided, however, that (i) if the Issuer fails to pay such interest on such Interest Payment Date, such defaulted interest will be paid to the person in whose name such Note is registered at the close of business on the Special Record Date and (ii) interest payable at maturity, redemption or repayment will be payable to the person to whom principal shall be payable. The first payment of interest on any Registered Note originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner on such next Regular Record Date. Interest rates and interest rate formulae are subject to change by the Issuer from time to time but no such change will affect any Note theretofore issued. Unless otherwise specified in the applicable Pricing Supplement, the Interest Payment Dates and the Regular Record Dates for Fixed Rate Notes shall be as described below under "—Fixed Rate Notes." The Interest Payment Dates for Floating Rate Notes shall be as indicated in the applicable Pricing Supplement and in such Note, and, unless otherwise specified in the applicable Pricing Supplement, each Regular Record Date for a Registered Floating Rate Note will be the calendar day (whether or not a Business Day) next preceding each Interest Payment Date.

Payments of principal, interest and any other amount in respect of the Registered Notes will, in the absence of provision to the contrary, be made to the person shown on the Register on the record date specified in the applicable Pricing Supplement (the "Record Date") as the registered holder of the Registered Notes. None of the Issuer, any Paying Agent or Transfer Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. In the case of a Registered Global Note, "Record Date" is defined as the close of business on the date which is the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means a day on which each clearing system for which the Registered Global Note is being held is open for business, except that in the case of a Registered Global Note held through DTC and denominated in a Specified Currency other than U.S. dollars "Record Date" is defined as the close of business on the 15th calendar day prior to the date for payment.

Principal and premium, if any, and interest, if any, payable on a Bearer Note represented by a temporary global Note or any portion thereof in respect of an Interest Payment Date will be paid in the Specified Currency (unless otherwise specified in the applicable Pricing Supplement) by the relevant Paying Agent to each of Euroclear and Clearstream, Luxembourg, as the case may be, with respect to that portion of such temporary global Note held for its account (upon presentation to the Non-U.S. Paying Agent of the temporary global Note, if the temporary global Note is not issued in NGN form) and, in the case of a Note to which the TEFRA D Rules have been specified to apply, upon delivery of an Ownership Certificate by Euroclear or Clearstream, Luxembourg, as the case may be, dated no earlier than such Interest Payment Date, which certificate must be based on Ownership Certificates provided to Euroclear or Clearstream, Luxembourg, as the case may be, by its member organizations. Each of Euroclear and Clearstream, Luxembourg, as the case may be, will in such circumstances credit any principal and interest received by it in respect of such temporary global Note or any portion thereof to the accounts of the beneficial owners thereof.

Principal and premium, if any, and interest, if any, payable on a Bearer Note represented by a permanent global Note in respect of an Interest Payment Date will be paid in the Specified Currency (unless otherwise specified in the applicable Pricing Supplement) by the relevant Paying Agent to each of Euroclear and Clearstream, Luxembourg, as the case may be, with respect to that portion of such permanent global Note held for its account (upon presentation to the Non-U.S. Paying Agent of the permanent global Note if the permanent global Note is not issued in NGN form). Each of Euroclear and Clearstream, Luxembourg will in such circumstances credit any principal and interest received by it in respect of such permanent global Note to the respective accounts of the beneficial owners of such permanent global Note at maturity, redemption or repayment or on such Interest Payment Date, as the case may be. If a Registered Note is issued in exchange for a permanent global Note after the close of business at the office or agency where such exchange occurs (a) on or after any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (b) on or after any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of defaulted interest, any interest or defaulted interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Note, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to Euroclear and Clearstream, Luxembourg, and Euroclear and Clearstream, Luxembourg will in such circumstances credit any such interest to the account of the beneficial owner of such permanent global Note on such Regular Record Date or Special Record Date, as the case may be. Payment of principal and of premium, if any, and any interest due at maturity, redemption or repayment (in the event, with respect to payment of interest, that any such maturity date or redemption or repayment date is other than an Interest Payment Date) in respect of any permanent global Note will be made to Euroclear and Clearstream, Luxembourg in immediately available funds.

Payments of principal and of premium, if any, and interest on definitive Bearer Notes will be made in immediately available funds in the Specified Currency (unless otherwise specified in the applicable Pricing Supplement), subject to any applicable laws and regulations, only against presentation and surrender of such Note and any coupons at the offices of a Paying Agent outside the United States or, at the option of the holder by wire transfer of immediately available funds to an account maintained by the payee with a bank located outside the United States if appropriate wire instructions have been received by a Paying Agent not less than 10 calendar days prior to an applicable payment date. No payment with respect to any Bearer Note will be made at any office or agency of the Issuer in the United States or by wire transfer to an account maintained with a bank located in the United States, except as may be permitted under United

States federal tax laws and regulations then in effect. Notwithstanding the foregoing, payments of principal and of premium, if any, and interest on Bearer Notes denominated and payable in U.S. dollars will be made at the office of the paying agent of the Issuer, in the Borough of Manhattan, the City of New York, if and only if (i) payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such paying agent in the Borough of Manhattan, the City of New York, under applicable law and regulations would be able to make such payment.

Pursuant to the Fiscal Agency Agreement, the Issuer has designated Citibank, N.A., London Branch as its non-U.S. Paying agent (in such capacity, and including any successor non-U.S. paying agent appointed thereunder, the "Non-U.S. Paying Agent") and as its U.S. paying agent for Notes sold within the United States (in such capacity and including any successor U.S. paying agent appointed thereunder, the "U.S. Paying Agent," and together with the Non-U.S. Paying Agent and any other paying agents appointed by the Issuer, the "Paying Agents"). So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market, there will at all times be a Paying Agent with a specified office in each location, if any, required by the rules and regulations of the relevant stock exchange(s), competent authority(ies) and/or market(s) on or by which such Notes are listed and/or admitted to trading. So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market and the rules of such exchange, competent authority and/or market so require, the Issuer will notify the holders of its Notes in the manner specified under "—Notices" below in the event that the Issuer appoints a Paying Agent with respect to such Notes other than the Paying Agents designated as such in this Offering Circular or in the applicable Pricing Supplement.

Any monies paid by the Issuer to any Paying Agent for the payment of principal of, premium, if any and interest (and Additional Amounts, if any) with respect to the Notes and remaining unclaimed at the end of one month after the date on which such monies first became payable shall be repaid to the Issuer and the holders of the Notes shall thereafter look only to the Issuer for payment. The Notes shall become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

"Entitlement" is defined to include any distribution of cash or securities, being the payment due date, as determined by the terms and conditions, for cash or the settlement date for securities.

"Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of moneys payable has not been duly received by the Fiscal and Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of the Notes as described under "—Notices" below.

Registrar and Transfer Agents

Pursuant to the Fiscal Agency Agreement, the Issuer has designated Citibank, N.A., London Branch as U.S. registrar in respect of the Rule 144A Global Notes and also the Regulation S Global Notes which are deposited with a custodian for, and registered in the name of a nominee of, DTC (in such capacity and including any successor U.S. registrar appointed thereunder, the "U.S. Registrar"). The Issuer has also designated Citibank, N.A., London Branch as non-U.S. registrar in respect of any Regulation S Global Notes which are deposited with a common depositary for, and registered in the nominee name of a common depositary of, Euroclear, Clearstream or any other clearing system outside the United States (in such capacity and including any successor non-U.S. registrar appointed thereunder, the "Non-U.S. Registrar"). The Issuer has designated Citibank, N.A., London Branch as non-U.S. transfer agent in respect of the Notes (in such capacity and including any successor non-U.S. transfer agent appointed thereunder, the "Non-U.S. Transfer Agent") and as U.S. transfer agent in respect of the Notes (in such capacity and including any successor U.S. transfer agent in respect of the Notes, the "U.S. Transfer Agent" and, together with the Non-

U.S. Transfer Agent and any other transfer agent appointed by the Issuer, the "Transfer Agents"). For so long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market, the Issuer will maintain a Transfer Agent with a specified office in each location to the extent required by the rules and regulations of the relevant stock exchange, competent authority and/or market. Any initial designation by the Issuer of the Registrar or a Transfer Agent may be rescinded at any time. The Issuer may at any time designate additional Transfer Agents with respect to the Notes. So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market and the rules of such exchange, competent authority and/or market so require, the Issuer will notify the holders of its Notes in the manner specified under "—Notices" below in the event that the Issuer appoints a Registrar or Transfer Agent with respect to such Notes other than the Registrar and Transfer Agents designated as such in this Offering Circular or in the applicable Pricing Supplement.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, for so long as such Notes are listed on the SGX-ST, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Optional Redemption

Each applicable Pricing Supplement will indicate either that the relevant Tranche of Notes of a Series cannot be redeemed prior to maturity (other than as provided under "—Redemption Prior to Maturity Solely for Taxation Reasons" below) or that the Notes will be redeemable at the option of the Issuer, and such Pricing Supplement shall specify the price at which such Notes are to be redeemed, including, but not limited to, any USD Make Whole Amount or Non-USD Make Whole Amount, in each case as defined below (the "Optional Redemption Price") and the relevant date upon which such Notes will be so redeemed (each such date, an "Issuer Optional Redemption Date"); provided, however, that Notes denominated in currencies other than U.S. dollars may be subject to different restrictions on redemption as set forth under "Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption" herein. Notice of any redemption to holders of Bearer Notes shall be published as described under "—Notices" below once in each of three successive calendar weeks, the first publication to be not less than 10 nor more than 60 calendar days prior to the Issuer Optional Redemption Date. Notice of any redemption to holders of Registered Notes shall be provided as described under "—Notices" below at least 10 and not more than 60 calendar days prior to the Issuer Optional Redemption Date.

Optional Redemption by Issuer in Foreign Currency

Unless provided otherwise in the applicable Pricing Supplement, the "Non-USD Make Whole Amount" per Note shall be an amount equal to the sum of: (i) the principal amount of the relevant Note to be redeemed; (ii) the Applicable Premium; and (iii) accrued interest thereon to the Issuer Optional Redemption Date and any Additional Amounts payable with respect thereto. "Applicable Premium" means the excess, if any, of (i) the present value, discounted with the Benchmark Yield plus a spread to be indicated in the applicable Pricing Supplement, on such redemption date of (A) the principal amount per Note, plus (B) all remaining scheduled interest payments per Note to (but excluding interest accrued through the Issuer Optional Redemption Date), over (ii) the principal amount per Note. The "Benchmark Yield" shall be the yield to maturity at the Redemption Calculation Date of a benchmark security with a constant maturity (as compiled and published in a publicly available source of market data selected by the Issuer) most nearly equal to the period from the Issuer Optional Redemption Date to the Maturity Date; provided, however, that if the period from the Issuer Optional Redemption Date to the Maturity Date is not equal to the constant maturity of such benchmark security for which a weekly average yield is given, the Benchmark Yield shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of such benchmark security for which such yields are given, except that if the period from the Issuer Optional Redemption Date to the Maturity Date is less than one year, the weekly average yield on such actually traded benchmark security adjusted to a constant maturity of one year shall be used. "Redemption Calculation Date" means the sixth Business Day prior to the date on which the Notes are redeemed pursuant to this section.

Optional Redemption by Issuer in U.S. Dollars

Unless provided otherwise in the applicable Pricing Supplement, prior to the Issuer Optional Redemption Date, the Issuer may redeem the Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) (the "USD Make Whole Amount") per Note, which shall be an amount equal to the greater of:

(1) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date (assuming the Notes matured on an Issuer Optional Redemption Date) on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus an amount of basis points to be specified in the applicable Pricing Supplement, plus, in each case, accrued interest thereon to the date of redemption and any Additional Amounts payable with respect thereto and

(2) 100% of the principal amount of the Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the redemption date.

On or after the Issuer Optional Redemption Date, the Issuer may redeem the Notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to the redemption date.

"Treasury Rate" means, with respect to any redemption date, the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities–Treasury constant maturities–Nominal" (or any successor caption or heading). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Issuer Optional Redemption Date (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Issuer Optional Redemption Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Issuer Optional Redemption Date, as applicable. If there is no United States Treasury security maturing on the Issuer Optional Redemption Date but there are two or more United States Treasury securities with a maturity date equally distant from the Issuer Optional Redemption Date, one with a maturity date preceding the Issuer Optional Redemption Date and one with a maturity date following the Issuer Optional Redemption Date, the Issuer shall select the United States Treasury security with a maturity date preceding the Issuer Optional Redemption Date. If there are two or more United States Treasury securities maturing on the Issuer Optional Redemption Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Issuer's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

In the case of a partial redemption, selection of the Notes for redemption will be made pro rata, by lot or by such other method as the Fiscal and Paying Agent in its sole discretion deems appropriate and fair. No Notes of a principal amount of less than an authorized denomination will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender for cancellation of the original note. For so long as the Notes are held by DTC, Euroclear or Clearstream (or another depositary), the redemption of the Notes shall be done in accordance with the policies and procedures of the depositary.

Unless the Issuer defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes or portions thereof called for redemption.

Repayment at the Noteholders' Option; Repurchase

If applicable, the Pricing Supplement applicable to the Notes of a Tranche will indicate that such Notes will be repayable at the option of the holder on a date or dates specified prior to their stated maturity date (such option, "Optional Repayment" and each such date, a "Noteholder Optional Redemption Date") and, unless otherwise specified in the applicable Pricing Supplement, at a price equal to 100% of the principal amount outstanding thereof, together with accrued interest to, but not including, the relevant Noteholder Optional Redemption Date; provided, however, that Notes denominated in currencies other than U.S. dollars may be subject to different restrictions on repayment as set forth under "Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption" herein. If no Noteholder Optional Redemption Date is included with respect to a Note, such Note will not be repayable at the option of the holder prior to its maturity.

In order for such a Note to be repaid, and unless provided otherwise in the applicable Pricing Supplement, the relevant Paying Agent must receive at least 30 but not more than 60 calendar days prior to the Noteholder Optional Redemption Date, (i) the Note with the form entitled "Option to Elect Repayment" on the reverse of the Note duly completed or (ii) a facsimile transmission or letter from a holder which must set forth the name of the holder of the Note (in the case of a Registered Note only), the principal amount of the Note, the principal amount of the Note to be repaid, the certificate number or a description of the tenor and terms of the Note, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Note to be repaid, together with the duly completed form entitled "Option to Elect Repayment" on the reverse of the Note, will be received by the Paying Agent not later than the fifth Business Day after the date of such facsimile transmission or letter; provided, however, that such facsimile transmission or letter from a holder shall only be effective in such case if such Note and form duly completed are received by the relevant Paying Agent by such fifth Business Day. In the case of Global Notes, holders who wish to tender their Notes will be required to comply with the operating procedures for the relevant clearing system where such Notes are deposited. Exercise of the repayment option by the holder of a Note will be irrevocable. The repayment option may be exercised by the holder of a Note for less than the entire principal amount of the Note but, in that event, the principal amount of the Note remaining outstanding after repayment must be an authorized denomination. Partial redemption with respect to Notes in NGN form will be reflected in the records of Euroclear and Clearstream, Luxembourg as either pool factor (whereby a percentage reduction is applied to the nominal amount) or reduction in nominal amount, at their discretion.

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Notes purchased by the Issuer will be surrendered to the Fiscal and Paying Agent for cancellation.

Redemption Prior to Maturity Solely for Taxation Reasons

The Issuer may at its election, subject to applicable Chilean law, redeem any Series of the Notes in whole, but not in part, upon giving not less than 30 nor more than 60 days' notice to the holders of the Notes of such Series, at their principal amount outstanding, plus Additional Amounts (as defined in "—Payment of Additional Amounts"), if any, together with accrued but unpaid interest to the date fixed for redemption, if:

(i) the Issuer certifies to the Fiscal and Paying Agent and any other relevant Paying Agent immediately prior to the giving of such notice that the Issuer has or will become obligated to pay Additional Amounts with respect to such Series of Notes (in excess of the 4.0% withholding tax payable on payments of interest to Foreign Holders (as defined below) on such Series of Notes) as a result of any change in or amendment to the laws or regulations of a Relevant Taxing Jurisdiction (as defined below), or any change in the application or official interpretation of such laws or regulations, which change or amendment occurs after the date of issuance of such Series of Notes (or, in the case of any withholding taxes imposed by a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of issuance of such Series of Notes, after the date such jurisdiction becomes a Relevant Taxing Jurisdiction); and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to the Issuer;

provided, however, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of any such Series of Notes were then due. For the avoidance of doubt, a change in the jurisdiction of the Paying Agents shall be considered a reasonable measure.

Before giving notice of redemption, the Issuer shall deliver to the Fiscal and Paying Agent and any other relevant Paying Agent an officers' certificate for the benefit of the holders stating that the Issuer is entitled to effect such redemption in accordance with the terms set forth in the Fiscal Agency Agreement and setting forth in reasonable detail a statement of the facts relating thereto. The statement will be accompanied by a written opinion of counsel for the benefit of the holders to the effect, among other things, that:

(i) the Issuer has become obligated to pay the Additional Amounts as a result of a change or amendment described above;

(ii) the Issuer cannot avoid payment of the Additional Amounts by taking reasonable measures available to the Issuer; and

(iii) all governmental approvals necessary for the Issuer to effect the redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

The Fiscal and Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications and/or opinions required by this condition are provided, nor shall it be required to review, check or analyze any certifications and/or opinions produced nor shall it be responsible for the contents of any such certifications and/or opinions or incur any liability in the event the content of such certifications and/or opinions is inaccurate or incorrect.

Interest and Interest Rates

General

Each Note will bear interest at either:

(a) a fixed rate; or

(b) a floating rate determined by reference to an interest rate basis, which may be adjusted by a Spread and/or Spread Multiplier (as defined below). Any Floating Rate Note may also have either or both of the following:

- (i) a maximum interest rate limitation, or ceiling, on the rate at which interest may accrue during any interest period; and

- (ii) a minimum interest rate limitation, or floor, on the rate at which interest may accrue during any interest period, provided that if no minimum interest rate is specified or if the Pricing Supplement indicate that the minimum interest rate is "not applicable," then the minimum interest rate shall be zero.

The applicable Pricing Supplement will designate:

(a) a fixed rate per annum, in which case such Notes will be "Fixed Rate Notes"; or

(b) one or more of the following interest rate bases as applicable to such Notes, in which case such Notes will be "Floating Rate Notes":

- (i) the Commercial Paper Rate, in which case such Notes will be "Commercial Paper Rate Notes";

(ii) the Eleventh District Cost of Funds Rate, in which case such Notes will be "Eleventh District Cost of Funds Rate Notes";

(iii) the Federal Funds Rate, in which case such Notes will be "Federal Funds Rate Notes";

(iv) SOFR, in which case such Notes will be "SOFR Notes";

(v) EURIBOR, in which case such Notes will be "EURIBOR Notes";

(vi) the Treasury Rate, in which case such Notes will be "Treasury Rate Notes";

(vii) the Prime Rate, in which case such Notes will be "Prime Rate Notes."; or

(viii) such other interest rate basis or formula as is set forth in such Final Terms.

Each Note will bear interest from its date of issue or from the most recent date to which interest on such Note has been paid or duly provided for, at the annual rate, or at a rate determined pursuant to an interest rate formula, stated herein. Interest will accrue on a Note until the principal thereof is paid or made available for payment.

Interest will be payable on each Interest Payment Date and at maturity or on redemption or repayment, if any, except for:

(a) certain OID Notes; and

(b) Notes originally issued between a Regular Record Date and an Interest Payment Date.

The first payment of interest on any Registered Note originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date. Such interest will be payable by the Issuer to the registered owner on such next Regular Record Date.

Interest will be payable on a Registered Note on each Interest Payment Date to the person in whose name such Note is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date; provided, however, that:

(a) if the Issuer fails to pay such interest on such Interest Payment Date, such defaulted interest will be paid to the person in whose name such Registered Note is registered at the close of business on the record date to be established for the payment of defaulted interest; and

(b) interest payable at maturity, redemption or repayment will be payable to the person to whom principal shall be payable.

Unless otherwise specified in the applicable Pricing Supplement:

(c) for Fixed Rate Notes, the Interest Payment Dates and any Regular Record Dates shall be as described below under "—Fixed Rate Notes"; and

(d) for Floating Rate Notes:

(i) the Interest Payment Dates shall be as indicated in the applicable Pricing Supplement and in such Note; and

(ii) any Regular Record Date will be the Business Day next preceding each Interest Payment Date.

"Spread" means the number of basis points expressed as a percentage (one basis point equals one-hundredth of a percentage point) that the calculation agent will add or subtract from the related Interest Rate Basis or Bases applicable to a Floating Rate Note.

"Spread Multiplier" means the percentage of the related Interest Rate Basis or Bases applicable to a Floating Rate Note by which the calculation agent will multiply such Interest Rate Basis or Bases to determine the applicable interest rate on such Floating Rate Note.

Fixed Rate Notes

General. Each Fixed Rate Note will bear interest at the annual rate specified in the Note and in the applicable Pricing Supplement (the "Fixed Rate of Interest"). Interest on the Fixed Rate Notes will be paid on the dates specified in the applicable Pricing Supplement (each, a "Fixed Interest Payment Date"). The Regular Record Dates for Fixed Rate Notes in registered form will be on the dates specified in the applicable Pricing Supplement. In the event that any Fixed Interest Payment Date or Maturity Date for any Fixed Rate Note is not a Business Day, interest on such Fixed Rate Note will be paid on the next succeeding Business Day without additional interest. If interest is required to be calculated for a period other than a Fixed Interest Period (as defined below), such interest shall be calculated by applying the Fixed Rate of Interest to each specified denomination of the Notes of such Series, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards, or otherwise in accordance with applicable market convention.

Day Count Fraction. "Fixed Day Count Fraction" means:

(1) in the case of Notes denominated in a currency other than U.S. dollars, "Actual/Actual (ICMA)," meaning:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the interest commencement date (the "Interest Commencement Date") (as specified in the applicable Pricing Supplement)) to (but excluding) the relevant payment date (the "Calculation Period") is equal to or shorter than the Determination Period (as defined below) during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates (each, a "Determination Date") (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(b) in the case of Notes where the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of:

(i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and

(ii) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) in the case of Notes denominated in U.S. dollars "30/360," meaning the number of days in the period from and including the most recent Fixed Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Pricing Supplement)) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

Where:

"Determination Period" means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date (as specified in the applicable Pricing Supplement) or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"Fixed Interest Period" means the period from (and including) a Fixed Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Pricing Supplement)) to (but excluding) the next (or first) Fixed Interest Payment Date.

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

Floating Rate Notes

General. Floating Rate Notes generally will be issued as described below. Each applicable Pricing Supplement will specify the following terms with respect to which such Floating Rate Note is being delivered:

(a) whether such Floating Rate Note is a Regular Floating Rate Note, a Floating Rate/Fixed Rate Note or an Inverse Floating Rate Note, each as defined below;

(b) the Interest Rate Basis or Bases, Initial Interest Rate, Interest Reset Dates, Interest Reset Period, Regular Record Dates (if any) and Interest Payment Dates;

(c) the Index Maturity;

(d) the Spread and/or Spread Multiplier, if any; and

(e) the maximum interest rate and minimum interest rate, if any (provided that if no minimum interest rate is specified or if the Pricing Supplement indicate that the minimum interest rate is "not applicable," then the minimum interest rate shall be zero).

The Issuer may change the Spread, Spread Multiplier, Index Maturity and other variable terms of the Floating Rate Notes from time to time. However, no such change will affect any Floating Rate Note previously issued or as to which an offer has been accepted by the Issuer.

The interest rate in effect on each day shall be:

(f) if such day is an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding such Interest Reset Date; or

(g) if such day is not an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding the next preceding Interest Reset Date.

Regular Floating Rate Note; Floating Rate/Fixed Rate Note; Inverse Floating Rate Note

The Interest Rate Basis applicable to each Regular Floating Rate Note, Floating Rate/Fixed Rate Note and Inverse Floating Rate Note may be subject to a Spread or Spread Multiplier, provided that the interest rate on an Inverse Floating Rate Note will not be less than zero.

Regular Floating Rate Note. A Regular Floating Rate Note will bear interest at the rate determined by reference to the applicable Interest Rate Basis. The rate at which interest shall be payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate; and

the interest rate in effect for the 10 calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Pricing Supplement.

Floating Rate/Fixed Rate Note. A Floating Rate/Fixed Rate Note will initially bear interest at the rate determined by reference to the applicable Interest Rate Basis. The rate at which interest shall be payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(b) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate;

(c) the interest rate in effect for the 10 calendar days immediately prior to the fixed rate commencement date shall be that in effect on the tenth calendar day preceding the fixed rate commencement date, unless otherwise specified in the applicable Pricing Supplement; and

(d) the interest rate in effect commencing on, and including, the fixed rate commencement date to the Maturity Date shall be the Fixed Interest Rate, if such rate is specified in the applicable Pricing Supplement, or if no such Fixed Interest Rate is so specified and the Floating Rate/Fixed Rate Note is still outstanding on such day, the interest rate in effect thereon on the day immediately preceding the fixed rate commencement date.

Inverse Floating Rate Note. An Inverse Floating Rate Note will bear interest equal to the Fixed Interest Rate specified in the related Pricing Supplement minus the rate determined by reference to the Interest Rate Basis. The rate at which interest is payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(e) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate; and

(f) the interest rate in effect for the 10 calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Pricing Supplement.

Interest Rate Bases

Each Floating Rate Note will have one or more of the following interest rate bases, as specified in the Pricing Supplement:

(a) the Commercial Paper Rate;

(b) the Eleventh District Cost of Funds Rate;

(c) the Federal Funds Rate;

(d) SOFR;

(e) EURIBOR;

(f) the Treasury Rate;

(g) the Prime Rate; or

(h) the lowest of two or more Interest Rate Bases.

Date of Interest Rate Change

The interest rate on each Floating Rate Note, other than a SOFR Note or a Floating Rate Note based on another backward-looking rate, may be reset daily, weekly, monthly, quarterly, semi-annually or annually, as specified in the applicable Pricing Supplement (this period is the "Interest Reset Period" and the first day of each Interest Reset Period is the "Interest Reset Date"). For Floating Rate Notes linked to certain floating rates, the applicable Pricing Supplement may specify an alternative interest period or Observation Period over which interest will accrue and alternative dates on which the applicable interest rate will be determined. For example, for a SOFR Note, the interest rate in effect on any particular day will be the interest rate determined with respect to the interest period in which that day occurs.

If an Interest Reset Date for any Floating Rate Note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that if that Business Day is in the next calendar month, the Interest Reset Date will be the immediately preceding Business Day.

How Interest Is Calculated

General. The Issuer will appoint a calculation agent to calculate interest rates on the Floating Rate Notes. Unless otherwise specified in the applicable Pricing Supplement, Citibank, N.A., London Branch will be the calculation agent for each Series of Floating Rate Notes. Floating Rate Notes will accrue interest from and including the original issue date or the last date to which the Issuer has paid or provided for interest, to but excluding the applicable Interest Payment Date, as described below, or the Maturity Date, as the case may be. However, in the case of Registered Notes that are Floating Rate Notes on which the interest rate is reset daily or weekly, each interest payment will include interest accrued from and including the date of issue or from but excluding the last Regular Record Date on which, unless otherwise specified in the applicable Pricing Supplement, interest has been paid, through and including the Regular Record Date next preceding the applicable Interest Payment Date, and provided further that the interest payments on Floating Rate Notes made on the Maturity Date will include interest accrued to but excluding such Maturity Date.

Day Count Fraction. The amount of interest (the "Interest Amount") payable on any Series of Floating Rate Notes shall be calculated with respect to each specified denomination of such Floating Rate Notes of such Series for the relevant Interest Reset Period. Each Interest Amount shall be calculated by applying the relevant Interest Rate Basis, Spread and/or Spread Multiplier to each specified denomination and multiplying such sum by the applicable Floating Day Count Fraction.

"Floating Day Count Fraction" means, in respect of the calculation of the Interest Amount for any Interest Reset Period:

if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Reset Period divided by 365 (or, if any portion of that Interest Reset Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Reset Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Reset Period falling in a non-leap year divided by 365);

(a) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Reset Period divided by 365;

(b) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Reset Period divided by 360;

(c) if "30/360," "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(d) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31, in which case D2 will be 30; and

(e) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

Unless otherwise specified in the applicable Pricing Supplement, the Day Count Fraction in respect of the calculation of the Interest Amount on any Floating Rate Note will (a) in the case of a Note denominated in U.S. dollars, be Actual/360 or (b) in the case of a Note denominated in any other Specified Currency, be Actual/Actual. Notes for which the interest rate may be calculated with reference to two or more Interest Rate Bases (none of which is SOFR or the SOFR Index) will be calculated in each period by selecting one such Interest Rate Basis for such period. For these calculations, the interest rate in effect on any Interest Reset Date will be the new reset rate.

The calculation agent will round all percentages resulting from any calculation of the rate of interest on a Floating Rate Note, to the nearest 1/100,000 of 1% (0.0000001), with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or 0.09876545) would be rounded to 9.87655% (or 0.0987655)) and the calculation agent will round all currency amounts used in or resulting from any calculation to the nearest one-hundredth of a unit (with 0.005 of a unit being rounded upward).

The calculation agent will promptly, and no later than the fourth Business Day following such determination, notify the Fiscal and Paying Agent and the Issuer of each determination of the interest rate. The calculation agent will also notify the relevant stock exchange, competent authority and/or market (in the case of Notes that are listed or admitted to trading on or by a stock exchange, competent authority and/or market) and the relevant Paying Agents of the interest rate, the interest amount, the interest period and the Interest Payment Date related to each Interest Reset Date as soon as such information is available, and no later than the first Business Day of the interest period. The relevant calculation agent will make such information available to the holders of Notes. The Fiscal and Paying Agent will, upon the request of the holder of any Floating Rate Note issued in definitive form only, provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent Interest Determination Date relating to such Note.

So long as any Notes are listed on or by any exchange, competent authority and/or market and the rules of such exchange(s), competent authority(ies) and/or market(s) so require, the Issuer shall maintain a calculation agent for the Notes, and the Issuer will notify the holders of its Notes in the manner specified under "Notices" below in the event that the Issuer appoints a calculation agent with respect to such Notes other than the calculation agent designated as such in the applicable Pricing Supplement.

When Interest is Paid

The Issuer will pay interest on Floating Rate Notes on the dates specified in the applicable Pricing Supplement. Each such date upon which the Issuer is required to pay interest is an "Interest Payment Date." The Issuer will also pay interest on the relevant Floating Rate Notes at the Maturity Date.

If an Interest Payment Date (other than the Maturity Date) for a Floating Rate Note falls on a day that is not a Business Day, the Issuer will postpone payment of interest to the following Business Day at which time the Issuer will pay additional interest that has accrued up to but excluding such following Business Day, except that if that Business Day would fall in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day.

If the Maturity Date for a Floating Rate Note falls on a day that is not a Business Day, the Issuer will make the payment on the next Business Day, without additional interest.

Date of Interest Rate Determination

The interest rate for each Interest Reset Period commencing on the Interest Reset Date will be the rate determined on the relevant Interest Determination Date for such Interest Reset Date (or, in the case of a SOFR Note or a Floating Rate Note based on another backward-looking rate, the interest rate determined for the applicable interest period) for the relevant type of Floating Rate Note, as set forth in the applicable Pricing Supplement; provided, however, that for SOFR Notes and Floating Rate Notes based on other backward-looking rates, the Interest Determination Date relating to a particular interest period will be the date two U.S. Government Securities Business Days (or such other day as specified in the applicable Pricing Supplement) before the applicable Interest Payment Date (or, in the case of the final interest period, prior to the Maturity Date or if any series of Notes are redeemed in part or in full, the redemption date for such Notes).

Types of Floating Rate Notes

Commercial Paper Rate Notes

Each Commercial Paper Rate Note will bear interest at a specified rate that will be reset periodically based on the Commercial Paper Rate and any Spread and/or Spread Multiplier.

“Commercial Paper Rate” means, with respect to any Interest Determination Date, the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the specified Index Maturity as published in the H.15 Daily Update under the heading “Commercial Paper—Nonfinancial.”

“H.15 Daily Update” means the daily update of H.15, available through the world-wide web site of the Board of Governors of the United States Federal Reserve System at http://www.federalreserve.gov/releases/H15, or any successor service.

The following procedures will apply if the rate cannot be set as described above:

(a) If the above rate is not published in the H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the Commercial Paper Rate will be the Money Market Yield of the average for the offered rates, as of 11:00 a.m., New York City time, on that Interest Determination Date, of three leading dealers of commercial paper in The City of New York selected by the calculation agent for commercial paper having the specified Index Maturity placed for an industrial issuer whose bond rating is “AA,” or the equivalent, by a nationally recognized rating agency.

(b) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

“Money Market Yield” means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and “M” refers to the actual number of days in the period for which interest is being calculated.

Eleventh District Cost of Funds Rate Notes

Each Eleventh District Cost of Funds Rate Note will bear interest at a specified rate that will be reset periodically based on the Eleventh District Cost of Funds Rate and any Spread and/or Spread Multiplier.

“Eleventh District Cost of Funds Rate” means, with respect to any Interest Determination Date, the rate equal to the monthly weighted average cost of funds for the calendar month preceding such Interest Determination Date as set forth under the caption “11th District” on Reuters Screen COFI/ARMS (or such other page as is specified in the applicable Pricing Supplement) as of 11:00 a.m. San Francisco time, on such Interest Determination Date.

The following procedures will apply if the rate cannot be set as described above:

(a) If such rate does not appear on Reuters Screen COFI/ARMS, the Eleventh District Cost of Funds Rate shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced by the Federal Home Loan Bank of San Francisco as such cost of funds for the calendar month preceding the date of such announcement.

(b) If the Federal Home Loan Bank of San Francisco fails to announce such rate for the calendar month next preceding such Interest Determination Date, then the Eleventh District Cost of Funds Rate will be the same as the rate used in the prior interest period.

Federal Funds Rate Notes

Each Federal Funds Rate Note will bear interest at a specified rate that will be reset periodically based on the Federal Funds Rate and any Spread and/or Spread Multiplier.

"Federal Funds Rate" means, with respect to any Interest Determination Date unless otherwise specified in any applicable Pricing Supplement, the rate on specified dates for federal funds published in H.15 prior to 11:00 a.m., New York City time, under the heading "Federal Funds Effective," as such rate is displayed on Reuters Screen FEDFUNDS1 Page (or any such other page as specified in the applicable Pricing Supplement).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15 prior to 11:00 a.m., New York City time, on the Interest Determination Date, then the Federal Funds Rate will be the rate on such Interest Determination Date published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Federal Funds (Effective)."

(b) If the rate does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15, H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the Federal Funds Rate will be the average of the rates, as of 11:00 a.m., New York City time, on that Interest Determination Date, for the last transaction in overnight federal funds arranged by three leading brokers of federal funds transactions in The City of New York selected by the calculation agent (or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent).

(c) If fewer than three brokers are providing quotes, the rate will be the same as the rate used in the prior interest period.

SOFR Notes

Each SOFR Note will bear interest at an interest rate based on Compounded SOFR. "SOFR" means the secured overnight financing rate that is published by the FRBNY and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities. In addition, when Compounded SOFR is the interest rate basis, the Compounded SOFR base rate will be adjusted by the Spread or Spread Multiplier, if any, specified in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, Compounded SOFR will be determined by reference to the SOFR Index in the manner described herein. The SOFR Index is published by the FRBNY and measures the cumulative impact of compounding SOFR on a unit of investment over time, with the initial value set to 1.00000000 on April 2, 2018, the first value date of SOFR. The SOFR Index value reflects the effect of compounding SOFR on each U.S. Government Securities Business Day and allows the calculation of compounded SOFR averages over custom time periods. The FRBNY notes on its publication page for the SOFR Index that use of the SOFR Index is subject to important limitations, indemnification obligations and disclaimers, including that the FRBNY may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR Index at any time without notice.

For the avoidance of doubt, in accordance with the Benchmark Replacement provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the interest payable for each interest period on the applicable Notes will be an annual rate equal to the sum of the Benchmark Replacement and the applicable Spread, if any.

Unless otherwise specified in the relevant Pricing Supplement, "Compounded SOFR" will be determined by the calculation agent in accordance with the following formula:

$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) x \frac{360}{d}$ where:

"*SOFR Index*$_{Start}$" = For interest periods other than the initial interest period, the SOFR Index value on the preceding Interest Determination Date, and, for the initial interest period, the SOFR Index value on the date that is two U.S. Government Securities Business Days before the first day of such initial interest period;

"*SOFR Index*$_{End}$" = The SOFR Index value on the Interest Determination Date relating to the applicable interest payment date (or in the final interest period, relating to the maturity date or the redemption date); and

"*d*" is the number of calendar days in the relevant Observation Period.

For purposes of determining Compounded SOFR in this manner, "SOFR Index" means, with respect to any U.S. Government Securities Business Day:

(1) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Determination Time; provided that:

(2) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Determination Time, then: (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then the Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailability Provisions" described below; or (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to the "Effect of Benchmark Transition Event" provisions described below.

Notwithstanding anything to the contrary in the applicable Pricing Supplement, if the calculation agent (or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent) determines on or prior to the Relevant Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the SOFR Index value, then the Benchmark Replacement provisions set forth below under "—Effect of Benchmark Transition Event" will thereafter apply to all determinations of the rate of interest payable on such Notes.

"Observation Period" means, in respect of each interest period, the period from, and including, the date two U.S. Government Securities Business Day preceding the first date in such interest period to, but excluding, the date two U.S. Government Securities Business Day preceding the applicable payment date for such interest period (or in the final interest period, preceding the applicable maturity date or the redemption date, if applicable), unless otherwise specified in the applicable Pricing Supplement.

"SOFR Administrator" means the FRBNY (or a successor administrator of SOFR).

"SOFR Administrator's Website" means the website of the FRBNY, currently at http://www.newyorkfed.org, or any successor source.

SOFR Index Unavailability Provisions

If a SOFR IndexStart or SOFR IndexEnd is not published on the associated Interest Determination Date (or, in the case of the initial interest period, the date that is two U.S. Government Securities Business Days before the first day of such initial interest period) and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, "Compounded SOFR" will mean, for the applicable interest period for which the SOFR Index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR averages, and definitions required for such formula, published on the SOFR Administrator's Website at http://www.newyorkfed.org/markets/treasury-repo-reference-rates-information (or any successor page). For the purposes of this provision, references in the SOFR averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR ("SOFRi") does not so appear for any day "i" in the Observation Period, SOFRi for such day "i" shall be determined as described above under "SOFR Unavailability Provisions" below.

SOFR Unavailability Provisions

If SOFR is not published on an applicable date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, SOFR means, for the applicable date for which SOFR is not available, SOFR as published on the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website.

EURIBOR Notes

Each EURIBOR Note will bear interest at a specified rate that will be reset periodically based on EURIBOR and any Spread and/or Spread Multiplier.

"EURIBOR" means the European Interbank Offered Rate and, with respect to each Interest Determination Date, the rate for deposits in euro having the Index Maturity beginning on the relevant Interest Reset Date that appears on the Designated EURIBOR Page as of 11:00 a.m., Brussels time, on that Interest Determination Date.

The following procedures will apply if the rate cannot be set as described above:

(a) If such rate does not appear on the Designated EURIBOR Page as of 11:00 a.m., Brussels time, on the related Interest Determination Date, then the calculation agent (or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent) will request the principal offices of four major banks (one of which may be an affiliate of the calculation agent) in the euro-zone selected by the calculation agent (or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent) to provide such bank's offered quotation to prime banks in the euro-zone interbank market for deposits in euro having the Index Maturity beginning on the relevant Interest Reset Date as of 11:00 a.m., Brussels time, on such Interest Determination Date and in a Representative Amount. If at least two quotations are provided, EURIBOR for that date will be the average (if necessary rounded upwards) of the quotations.

(b) If fewer than two quotations are provided, EURIBOR will be the average (if necessary rounded upwards) of the rates quoted by major banks (which may include an affiliate of the calculation agent) in the euro-zone, selected by the calculation agent(or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent), at approximately 11:00 a.m., Brussels time, on the Interest Determination Date for loans in euro to leading European banks for a period of time corresponding to the Index Maturity beginning on the relevant Interest Reset Date and in a Representative Amount.

(c) If no rates are quoted by major banks, the rate will be the same as the rate used for the prior interest period.

"Designated EURIBOR Page" means Capital Markets Report Screen EURIBOR01 of Reuters, or any other page as may replace such page on such service.

Treasury Rate Notes

Each Treasury Rate Note will bear interest at a specified rate that will be revised periodically based on the Treasury Rate and any Spread and/or Spread Multiplier.

"Treasury Rate" means, with respect to any Interest Determination Date, the rate for the most recent auction of direct obligations of the United States ("Treasury bills") having the specified Index Maturity as it appears under the caption "INVEST RATE" on either Reuters Screen USAUCTION10 Page or Reuters Screen USAUCTION11 Page (or any other pages as may replace such pages on such service).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not so published by 3:00 p.m., New York City time, on the Interest Determination Date, the rate will be the auction average rate for such Treasury bills (expressed as a bond equivalent, on the basis of a year of 365 or 366 days as applicable, and applied on a daily basis) for such auction as otherwise announced by the U.S. Department of the Treasury.

(b) If the results of the auction of Treasury bills are not so published by 3:00 p.m., New York City time, on the Interest Determination Date, or if no such auction is held, the Treasury Rate will be the rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) on such Interest Determination Date of such Treasury bills having the specified Index Maturity as published in H.15 under the caption "U.S. Government Securities/Treasury Bills/Auction high."

(c) If such rate is not so published in H.15 by 3:00 p.m., New York City time, on the related Interest Determination Date, the rate on such Interest Determination Date of such Treasury bills will be as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. Government Securities/Treasury Bills/Auction high."

(d) If such rate is not yet published in H.15, H.15 Daily Update or another recognized electronic source, then the Treasury Rate will be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the average of the secondary market bid rates as of approximately 3:30 p.m., New York City time, on the Interest Determination Date, of three leading primary U.S. government securities dealers in The City of New York selected by the calculation agent (or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent) for the issue of Treasury bills with a remaining maturity closest to the specified Index Maturity.

(e) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

Prime Rate Notes

Each Prime Rate Note will bear interest at a specified rate that will be reset periodically based on the Prime Rate and any Spread and/or Spread Multiplier.

"Prime Rate" means, with respect to any Interest Determination Date, unless otherwise specified in any applicable Pricing Supplement, the rate set forth on that Interest Determination Date in H.15 under the heading "Bank Prime Loan."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15 by 3:00 p.m., New York City time, on the Interest Determination Date, then the Prime Rate will be the rate as published on such Interest Determination Date in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate under the caption "Bank Prime Loan."

(b) If the rate is not published in H.15, H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, then the Prime Rate will be the average (rounded upwards, if necessary, to the next higher one-hundred thousandth of a percentage point) of the rates publicly announced by each bank on the Reuters Screen USPRIME1 Page as its prime rate or base lending rate for that Interest Determination Date.

(c) If fewer than four, but more than one, rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be the average of the prime rates (quoted on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the Interest Determination Date by four major money center banks in The City of New York selected by the calculation agent(or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent).

(d) If fewer than two rates appear, the Prime Rate will be determined based on the rates furnished in The City of New York by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least U.S.$500 million and being subject to supervision or examination by a Federal or State authority, as selected by the calculation agent (or the Issuer or its financial adviser or alternate agent in the event the Fiscal and Paying Agent has been appointed as calculation agent).

(e) If no banks are providing quotes, the rate will be the same as the rate used for the prior interest period.

Effect of Benchmark Transition Event

(a) *Benchmark Replacement*. If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(b) *Benchmark Replacement Conforming Changes*. In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes (as defined below) from time to time without the consent of the holders of the relevant Notes.

(c) *Decisions and Determinations*. Any determination, decision or election that may be made by the Issuer or its designee pursuant to this section titled "Effect of Benchmark Transition Event," including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's sole discretion or, if made by our designee, will be made after consultation with the Issuer, and such designee will not make any such determination, decision or election to which the Issuer objects; and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from any other party.

"Benchmark" means the initial base rate for a floating rate note; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to such initial base rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;

provided that if the Issuer or its designee have determined such ISDA Fallback Rate is not an industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time, then such rate will not be used as the Benchmark Replacement;

(3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

“FRBNY” means the Federal Reserve Bank of New York.

“Federal Reserve Bank of New York’s Website” means the website of the FRBNY at http://www.newyorkfed.org, or any successor source.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

“ISDA Fallback Adjustment” means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, the SOFR Determination Time, as such time is defined above, and (2) if the Benchmark is not SOFR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes.

“Relevant Governmental Body” means the Federal Reserve Board and/or the FRBNY, or a committee officially endorsed or convened by the Federal Reserve Board and/or the FRBNY or any successor thereto.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the FRBNY, as the administrator of the Benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“U.S. Government Securities Business Day” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Additional Notes

The Issuer may issue Notes from time to time having terms identical to a prior Tranche of Notes but for the original issue date and the public offering price (“Additional Notes”). Any such Additional Notes that are Regulation S Global Notes will be issued in the form of a temporary global Note which will be exchangeable for a beneficial interest in a permanent global Note on or after the Exchange Date specified in the applicable Pricing Supplement relating to such Additional Notes. Additional Notes may be issued prior to or after the Exchange Date relating to such prior Tranche of Notes of the same Series. In the event Additional Notes are issued prior to the Exchange Date for the prior Tranche, the Exchange Date relating to such prior Tranche shall be moved to a date not earlier than 40 calendar days after the original issue date of the related Additional Notes; provided, however, in no event shall the Exchange Date for a Tranche of Notes be extended to a date more than 160 calendar days after the date such Tranche was issued. Once any Additional Notes have been issued, whether Regulation S Global Notes or Rule 144A Global Notes, such Additional Notes together with each prior and subsequent Tranche of Notes of the same Series, shall constitute one and the same Series of Notes for all purposes; provided, however, that in the case of Regulation S Global Notes, or Notes to which the TEFRA D Rules apply, such consolidation of Additional Notes issued after the Exchange Date will occur only following the exchange of interests in the temporary global Note for interests in the permanent global Note upon receipt of certificates described below; and provided further that if the Additional Notes are not fungible with the earlier Notes for United States federal income tax purposes, the Additional Notes will have a separate CUSIP number. The Pricing Supplement relating to any Additional Notes will set forth matters related to the issuance, exchange and transfer of Additional Notes, including identifying the prior Tranche of Notes, their original issue date and aggregate principal amount. Any Additional Notes that are Bearer Notes will be subject to the same restrictions as are set forth under "—Forms of Notes—Bearer Notes" above.

Covenants

The Issuer has agreed to restrictions on its activities for the benefit of holders of each Series of Notes. The following restrictions will apply separately to each Series of Notes:

Consolidation, Merger, Sale or Conveyance

The Issuer may not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any person, unless:

(i) the corporation formed by such consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer the properties and assets of the Issuer substantially as an entirety shall be a corporation organized and existing under the laws of the Republic of Chile and shall expressly assume, by a supplemental fiscal agency agreement, executed by the Issuer and the Fiscal and Paying Agent in form satisfactory to the Fiscal and Paying Agent, the due and punctual payment of the principal of (and premium, if any) and interest on all the outstanding Notes and the performance of every covenant of the Fiscal Agency Agreement on the part of the Issuer to be performed or observed;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both would become an Event of Default, shall have happened and be continuing; and

(iii) the Issuer shall have delivered to the Fiscal and Paying Agent an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental Fiscal Agency Agreement comply with the foregoing provisions relating to such transaction and all conditions precedent in the Fiscal Agency Agreement relating to such a transaction have been complied with. The Fiscal and Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications and/or opinions required by this condition are provided, nor shall it be required to review, check or analyze any certifications and/or opinions produced nor shall it be responsible for the contents of any such certifications and/or opinions or incur any liability in the event the content of such certifications and/or opinions is inaccurate or incorrect.

In case of any such consolidation, merger, conveyance or transfer such successor corporation will succeed to and be substituted for the Issuer as obligor on each Series of Notes with the same effect as if it had issued such Series of Notes. Upon the assumption of its obligations by any such successor corporation in such circumstances subject to certain exceptions, the Issuer will be discharged from all obligations under the Notes and the Fiscal Agency Agreement.

Rule 144A Information

For so long as any of the Notes of a Series remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and to the extent the Issuer is not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to

Rule 12g3-2(b) thereunder, the Issuer shall furnish, upon the request of any holder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such holder or (ii) to a prospective purchaser of such Note (or beneficial interests therein) who is a QIB designated by such holder, in each case in order to permit compliance by such holder with Rule 144A in connection with the resale of such Notes (or beneficial interest therein) in reliance upon Rule 144A. All such information shall be in the English language.

Events of Default

An "Event of Default," with respect to each Series of Notes is defined in the Fiscal Agency Agreement as:

(i) The Issuer's default in the payment of any principal of any of the Notes of such Series (including Additional Amounts), when due and payable, whether at maturity or otherwise; or

(ii) The Issuer's default in the payment of any interest or any Additional Amounts when due and payable on any of the Notes of such Series and the continuance of such default for a period of 30 days; or

(iii) The Issuer's default in the performance or observance of any other term, covenant, warranty, or obligation in respect of the Notes of such Series or the Fiscal Agency Agreement, not otherwise expressly defined as an Event of Default in (i) or (ii) above, and the continuance of such default for more than 60 days after written notice of such default has been given to the Issuer (through the Fiscal and Paying Agent) or by the holders of at least 25% in aggregate principal amount of the Notes of such Series outstanding specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default"; or

(iv) if any of the Issuer's Indebtedness (as defined below) or that of its subsidiaries becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or any of its subsidiaries fails to make any payment in respect of any Indebtedness on the due date for such payment or within any originally applicable grace period or any security given by the Issuer or any of its subsidiaries for any Indebtedness becomes enforceable and steps are taken to enforce the same or if the Issuer or any of its subsidiaries default in making any payment when due (or within any originally applicable grace period in respect thereof) under any guarantee and/or indemnity given by the Issuer or such subsidiary (as the case may be) in relation to any Indebtedness of any other person, provided that no such event as aforesaid shall constitute an Event of Default unless such Indebtedness either alone or when aggregated with other Indebtedness in respect of which one or more of the events mentioned in this paragraph (iv) has occurred shall amount to at least U.S.$40,000,000 (or its equivalent in any other currency on the basis of the middle spot rate for any relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

(v) the entry of an order for relief against the Issuer under any Bankruptcy Law by a court or regulatory entity having jurisdiction in the premises or a decree or order by a court or regulatory entity having jurisdiction in the premises adjudging the Issuer a bankrupt or insolvent under any other applicable law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer under any Bankruptcy Law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a "*síndico*") of the Issuer or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(vi) the consent by the Issuer to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any Bankruptcy Law, or the consent by it to the filing of any such petition or to the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a *síndico*) of the Issuer or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Issuer in furtherance of any such action.

The term "Bankruptcy Law" as used in this section means (i) articles 120 et seq. of the Chilean Banking Law (D.F.L. 3 of 1997, as amended), (ii) the Chilean Ley de Quiebras (Law No. 20,720, as amended) or (iii) any other applicable law that amends, supplements or supersedes the Chilean Banking Law and/or the Ley de Quiebras, and any applicable bankruptcy, insolvency, reorganization or other similar law of any applicable jurisdiction.

For purposes of the above, "Indebtedness" means (a) any liability of such person (1) for borrowed money or under any reimbursement obligation relating to a letter of credit, financial bond or similar instrument or agreement, (2) evidenced by a bond, note, debenture or similar instrument or agreement (including a purchase money obligation) given in connection with the acquisition of any business, properties or assets of any kind (other than a trade payable or a current liability arising in the ordinary course of business or a performance bond or similar obligation) or (3) for the payment of money relating to any obligations under any capital lease of real or personal property; (b) any liability of others described in the preceding clause (a) that the person has guaranteed or that is otherwise its legal liability; and (c) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (a) and (b) above. For the purpose of determining any particular amount of Indebtedness under this definition, guarantees of (or obligations with respect to letters of credit or financial bonds supporting) Indebtedness otherwise included in the determination of such amount shall also not be included.

The Fiscal Agency Agreement provides that if an Event of Default with respect to any Series of Notes described in paragraph (i), (ii), (iii) and (iv) above occurs and is continuing with respect to the Notes of any Series, then and in each and every such case, unless the principal of all the Notes of such Series shall have already become due and payable, the holders of not less than 25% in aggregate principal amount of the Notes of such Series then outstanding hereunder (each such Series acting as a separate class), by notice in writing to the Issuer (with a copy to the Fiscal and Paying Agent), may declare the principal amount of all the Notes of such Series then outstanding and all accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Fiscal Agency Agreement or in the Notes of such Series contained to the contrary notwithstanding. If an Event of Default described in paragraph (v) or (vi) of the above occurs and is continuing with respect to any Series of Notes, then the principal amount of the Notes of such Series then outstanding and all accrued interest thereon shall, without any notice to the Issuer or any other act on the part of the Fiscal and Paying Agent or any holder of the Notes, become and be immediately due and payable, anything in the Chilean Banking Law, the Fiscal Agency Agreement or in the Notes contained to the contrary notwithstanding.

At any time after such a declaration of acceleration has been made with respect to the Notes of such Series, the holders of a majority in aggregate principal amount of the outstanding Notes of such Series, by written notice to the Issuer (with a copy to the Fiscal and Paying Agent), may rescind and annul such declaration and its consequences if: (1) the Issuer has paid or deposited with the Fiscal and Paying Agent a sum sufficient to pay: (i) all overdue installments of interest on the outstanding Notes of such Series, (ii) the principal of (and premium, if any, on) any outstanding Notes of such Series which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Notes of such Series, to the extent that payment of such interest is lawful, (iii) interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Notes of such Series, to the extent that payment of such interest is lawful, and all sums paid or advanced by the Fiscal and Paying Agent hereunder and the reasonable compensation, expenses, disbursements and advances of the Fiscal and Paying Agent, its agents and counsel and all other amounts due the Fiscal and Paying Agent under Section 11(a) of the Fiscal Agency Agreement; and (2) all Events of Default with respect to such Series of Notes, other than the nonpayment of the principal of the Notes of such Series which have become due solely by such acceleration, have been cured or waived. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Payment of Additional Amounts

The Issuer is required to make all payments in respect of each Series of Notes free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges (or interest on those taxes, duties, fines, penalties, assessments or other governmental charges) (collectively, "Taxes") imposed, levied, collected, withheld or assessed by, within or on behalf of the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax), or any other jurisdiction from or through which the Issuer makes any payment under a Series of Notes (or any political subdivision or governmental authority thereof or therein having power to tax) (each, a "Relevant Taxing Jurisdiction") unless such withholding or deduction is required by law. In that event the Issuer will pay to the Holders of such Series of Notes, or the relevant Paying Agent, as the case may be, such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amounts received by the Holders of such Series of Notes or the relevant Paying Agent after such withholding or deduction shall not be less than the amounts of principal, interest and premium, if any, which would have been received in respect of such Series of Notes in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in respect of any Note:

(i) in the case of payments for which presentation of such Note is required, presented for payment more than 30 days after the later of:

  (a) the date on which such payment first became due, and

  (b) if the full amount payable has not been received in the place of payment by the relevant Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders by the relevant Paying Agent, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting such Note for payment on the last day of such period of 30 days;

(ii) held by or on behalf of a Holder who is liable for Taxes or other governmental charges imposed in respect of such Note by reason of such Holder having some present or former direct or indirect connection with the taxing jurisdiction imposing such tax, other than the mere holding of such Note or the receipt of payments or the enforcement of rights in respect thereto;

(iii) with respect to Taxes imposed on a payment to a Holder that would not have been imposed but for the failure of the Holder to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the Holder, if compliance is required by statute or by regulation of a Relevant Taxing Jurisdiction as a precondition to relief or exemption from such Taxes;

(iv) with respect to Taxes imposed under: (a) Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), including regulations and official guidance thereunder, (b) any successor version thereof that is substantially comparable and not materially more onerous to comply with, (c) any agreement entered into pursuant to Section 1471(b) of the Code or (d) any law, regulation, rule or practice implementing an intergovernmental agreement entered into in connection with the implementation of such Sections of the Code;

(v) in the case of payments for which presentation of such Note is required, with respect to Taxes that would not have been imposed but for the presentation of such Note in the Relevant Taxing Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(vi) with respect to any payment on a Note to a Holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of a Relevant Taxing Jurisdiction (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interestholder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Holder; or

(vii) any combination of (i) through (vi).

As used in this section, a "Holder" shall mean, (a) with respect to any Registered Note, the person in whose name at the time such Registered Note is registered on the Register or (b) with respect to any Bearer Note, the bearer thereof.

References to principal, interest, premium or other amounts payable in respect of any Series of Notes also refer to any Additional Amounts that may be payable. Refunds, if any, of taxes with respect to which the Issuer pays Additional Amounts are for the Issuer's account.

Notwithstanding the foregoing, the limitations on the obligations of the Issuer to pay Additional Amounts set forth in clause (iii) will not apply if the provision of any certification, identification, information, documentation or other reporting requirement described in such clause (iii) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a note (taking into account any relevant differences between U.S. law, rules, regulations or administrative practice and the law, rules, regulations or administrative practice of the Relevant Taxing Jurisdiction) than comparable information or other reporting requirements imposed under U.S. tax law, regulations and administrative practice (such as U.S. Internal Revenue Service (the "IRS") Forms W-8BEN and W-9).

Except as described in the Fiscal Agency Agreement, the Issuer will pay when due any present or future stamp, transfer, court or documentary taxes or any other excise or property taxes, charges or similar levies imposed by the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax) with respect to the initial execution, delivery or registration of each Series of Notes or any other document or instrument relating thereto.

Modification of Fiscal Agency Agreement and Notes

The Fiscal Agency Agreement may be amended by the Issuer and the Fiscal and Paying Agent, without the consent of the holder of any Note of a Series for the purposes, among others, of curing any ambiguity, or of correcting or supplementing any defective or inconsistent provisions contained therein or to effect any assumption of the Issuer's obligations thereunder and under the Notes of a Series under the circumstances described under "—Consolidation, Merger, Sale or Conveyance" above or in any other manner which the Issuer and the Fiscal and Paying Agent may deem necessary or desirable and which, in the sole determination of the Issuer, will not adversely affect the interests of the holders of Notes of a Series outstanding on the date of such amendment. Nothing in the Fiscal Agency Agreement prevents the Issuer and the Fiscal and Paying Agent from amending the Fiscal Agency Agreement in such a manner as to only have a prospective effect on Notes issued on or after the date of such amendment.

Modifications and amendments to the Fiscal Agency Agreement and, to the terms and conditions of the Notes of a Series may also be made, and future compliance therewith or past Events of Default by the Issuer may be waived, by holders of a majority in aggregate principal amount of the Notes of such Series (or, in each case, such lesser amount as shall have acted at a meeting of holders of such Notes, as described below), provided, however, that no such modification or amendment to the Fiscal Agency Agreement, or to the terms and conditions of the Notes of a Series may, without the consent of the holders of each Note of such Series affected thereby, among other things, (a) change the stated maturity of the principal of any Note of such Series or extend the time for payment of interest thereon; (b) reduce the principal amount of any Note of such Series or reduce the amount of interest payable thereon or the amount payable thereon in the event of redemption or acceleration (or in the case of OID Notes, change the amount that would be due and payable upon an acceleration thereof); (c) change the currency of payment of principal of or any other amounts payable on any Note of such Series; (d) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note of such Series; (e) reduce the above-stated percentage of the principal amount of Notes of such Series, the consent of whose holders is necessary to modify or amend the Fiscal Agency Agreement, the terms and conditions of the Notes or reduce the percentage of Notes of such Series required for the taking of action or the quorum required at any such meeting of holders of Notes of such Series; or (f) modify the foregoing requirements to reduce the percentage of outstanding Notes of such Series necessary to waive any future compliance or past default. The persons entitled to vote a majority in principal amount of the Notes of a Series outstanding shall constitute a quorum at a meeting of Noteholders of such Series except as hereinafter provided. In the absence of such a quorum, a meeting of Noteholders called by the Issuer shall be adjourned for a period of not less than 10 days, and in the absence of a quorum at any such adjourned meeting, the meeting shall be further adjourned for another period of not less than 10 days, at which further adjourned meeting persons entitled to vote 25% in principal amount of Notes of a Series at the time outstanding shall constitute a quorum. Except for modifications or amendments in (a) to (f) above which require the consent of the holders of each Note of such series affected thereby, any modifications, amendments or waivers to the Fiscal Agency Agreement, the terms and conditions of the Notes of a Series at a meeting of Noteholders require a favorable vote of holders of the lesser of (i) a majority in principal amount of the outstanding Notes of such Series or (ii) 75% of the principal amount of Notes of such Series represented and voting at the meeting. Any such modifications, amendments or waivers will be conclusive and binding on all holders of Notes of such Series, whether or not they have given such consent or were present at such meeting and whether or not notation of such modifications, amendments or waivers is made upon the Notes, and on all future holders of Notes of such Series. Any instruments given by or on behalf of any holder of a Note of a Series in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note.

Replacement of Notes and Coupons

Any Notes or coupons that become mutilated, destroyed, lost or stolen or are apparently destroyed, lost or stolen will be replaced by the Issuer at the expense of the holder upon delivery of the Notes or coupons or satisfactory evidence of the destruction, loss or theft thereof to the Issuer and the Fiscal and Paying Agent. In each case, an indemnity satisfactory to the Issuer and the Fiscal and Paying Agent may be required at the expense of the holder of such Note or coupon before a replacement Note or coupon will be issued. For so long as the Notes are listed or admitted to trading on or by any other stock exchange, competent authority and/or market and the rules of such stock exchange(s), competent authority(ies) and/or market(s) so require, a noteholder shall be able to obtain a replacement Note or coupon at the offices of the paying agent located in each location required by the rules and regulations of such stock exchange(s), competent authority(ies) and/or market(s).

Applicable Law

The Fiscal Agency Agreement and the Notes will be governed by, and construed in accordance with, the laws of the State of New York; provided that the ranking and subordination of the Notes will be governed by, and construed in accordance with, Chilean law.

Notices

Notices by the Issuer

The Issuer shall ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed or by which they have been admitted to listing or any other relevant listing authority. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).

Notices to holders of Registered Notes will also be given by mailing such notices to each holder by first class mail, postage prepaid, at the respective address of each holder as that address appears upon the books of the relevant Registrar.

So long as no definitive Bearer Notes are in issue in respect of a particular Series, there may, so long as the global Note(s) for such Series is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, and/or another clearance system, as the case may be, and the Notes for such Series are not listed and/or admitted to trading on a stock exchange, competent authority and/or market, or if so listed or admitted to trading, for so long as the relevant stock exchange, competent authority and/or market so permits, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or such other clearance system for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or such other clearance system.

Notices by Noteholders

Notices to be given by a Noteholder shall be in writing and given by lodging the same, together with the related Note or Notes, with the Fiscal and Paying Agent. While any Notes are represented by a global Note, such notice may be given by a Noteholder to the Fiscal and Paying Agent via Euroclear, Clearstream, Luxembourg, and/or such other clearance system, as the case may be, in such manner as the Fiscal and Paying Agent and Euroclear, Clearstream, Luxembourg and/or such other clearance system may approve for this purpose.

Consent to Service

The Issuer has designated The Bank of Nova Scotia, New York Agency, presently located at 250 Vesey Street, New York, NY 10281, as authorized agent for service of process in any legal action or proceeding arising out of or relating to the Fiscal Agency Agreement or the Notes brought in any federal or state court in the Borough of Manhattan, the City of New York, State of New York.

Consent to Jurisdiction

The Issuer irrevocably consents to the nonexclusive jurisdiction of any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, New York, United States of America, and any appellate court from any thereof, and waives any immunity from the jurisdiction of such courts over any suit, action or proceeding that may be brought by the Fiscal and Paying Agent or a holder in connection with the Fiscal Agency Agreement or the Notes. The Issuer irrevocably waives, to the fullest extent permitted by law, any objection to any suit, action or proceeding that may be brought in connection with the Fiscal Agency Agreement or the Notes in such courts on the grounds of venue or on the ground that any such suit, action or proceeding has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment; provided that service of process is effected upon the Issuer in the manner provided by the Fiscal Agency Agreement. Notwithstanding the foregoing, any suit, action or proceeding brought in connection with the Fiscal Agency Agreement or the Notes against the Issuer may be instituted in any competent court in Chile.

The Issuer agrees that service of all writs, process and summonses in any suit, action or proceeding brought in connection with the Fiscal Agency Agreement or the Notes against the Issuer in any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, may be made upon The Bank of Nova Scotia, New York Agency, presently located at 250 Vesey Street, New York, NY 10281.

Nothing in this section shall affect the right of any party to serve legal process in any other manner permitted by law or affect the right of any party to bring any action or proceeding against any other party or its property in the courts of other jurisdictions.

Judgment Currency

The Issuer agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of, or premium or interest, if any, on the Notes of any Series (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which, in accordance with normal banking procedures, the Issuer could purchase the Required Currency with the Judgment Currency and (b) its obligations under the Fiscal Agency Agreement to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under the Fiscal Agency Agreement.

FORM OF PRICING SUPPLEMENT

Pricing Supplement No. [ ]
Dated [ ]

SCOTIABANK CHILE (the "Issuer")
ISSUE OF MEDIUM-TERM NOTES
[ ]% [Fixed Rate][Floating Rate] Notes Due [ ]
Series No.: [ ]

PART A CONTRACTUAL TERMS

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Details of any negative target market to be included if applicable]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[BENCHMARKS REGULATION – Amounts payable under the Notes will be calculated by reference to [*specify benchmark* (as this term is defined in the Benchmarks Regulation)] which is provided by [*legal name of the benchmark administrator*]. As of the date of this Pricing Supplement, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the "Benchmarks Regulation").

[As far as the Issuer is aware, [*specify benchmark* (as this term is defined in the Benchmarks Regulation)] [does not fall within the scope of the Benchmarks Regulation/the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorization or registration (or, if located outside the EU, recognition, endorsement or equivalence).]]

PROHIBITION OF SALES TO EEA – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

[PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.]

[Singapore Securities and Futures Act Product Classification – The Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the offering circular dated April 4, 2025 [, together with the supplement(s) thereto dated [*insert dates*]] ([collectively,] the "Offering Circular"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Pricing Supplement and the Offering Circular. [The Offering Circular has been, and this Pricing Supplement will be, published on the website of the SGX-ST (www.sgx.com).]

1. General Information:

(i)	Series Number:	[ ]
(ii)	Tranche Number:	[ ] (*if fungible with an existing Series, provide details of that Series, including the date on which the Notes become fungible*)
(iii)	Trade Date:	[ ]

	(iv)	Settlement Date (Original Issue Date):	[ ]
	(v)	Maturity Date:	[ ]
	(vi)	Specified Currency:	[ ]
	(vii)	Principal Amount (in Specified Currency):	[ ]
	(viii)	Dealer's Discount or Commission:	[ ]
	(ix)	Issue Price:	[ ]
	(x)	Ranking:	[Senior][Subordinated]
2.	**Payment of Additional Amounts:**		[Applicable/Not applicable]
3.	**Authorization/Approval**		
	(i)	Date Board approval for issuance of Notes obtained:	[ ] [Not applicable]
4.	**Fixed Rate Notes Only Interest Rate:**		[Applicable/Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Fixed Interest Rate:	[ ]
	(ii)	Interest Payment Period:	[Annual] [Semi-Annual] [Quarterly] [Monthly]
	(iii)	Fixed Interest Payment Dates:	Each [ ], commencing [ ]
	(iv)	Day Count Fraction:	[30/360] *[in the case of Notes denominated in U.S. dollars]* [Actual/Actual (ICMA)] *[in the case of Notes denominated in a currency other than U.S. dollars]*
	(v)	Regular Record Dates (if any):	[The 15th calendar day prior to each Interest Payment Date] [The business day prior to each Interest Payment Date]
	(vi)	Determination Dates:	[Each [ ]] [Not applicable] [relevant only to Registered Notes]
	(vii)	Interest Commencement Date:	[ ] [Not applicable]

5.	**Floating Rate Notes Only Interest Rate:**	[Applicable/Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i)	Interest Calculation:	[Regular Floating Rate] [Floating Rate/Fixed Rate] [Inverse Floating Rate]
(ii)	Interest Rate Basis:	[Commercial Paper Rate] [Eleventh District Cost of Funds Rate] [Federal Funds Rate] [SOFR] [EURIBOR] [Treasury Rate] [Prime Rate]
(iii)	Spread (Plus or Minus):	[plus/minus [ ]%]
(iv)	Spread Multiplier:	[ ]
(v)	Index Maturity:	[ ] Months
(vi)	Maximum Interest Rate:	[ ]
(vii)	Minimum Interest Rate:	[ ]
(viii)	Interest Payment Period:	[Daily/Monthly/Quarterly/Semi-annually/Other] [*if Other, insert period*]
(ix)	Interest Payment Date:	Each [*list interest payment dates*]
(x)	Initial Interest Rate Per Annum:	To be determined [ ] Business Days prior to the Original Issue Date based upon [interest rate basis plus/minus the spread amount]
(xi)	Interest Reset Periods and Dates:	[Daily/monthly/quarterly/semi-annually/Other] on each Interest Payment Date [*if Other, insert period*]
(xii)	Interest Determination Date:	[[ ] Business Days prior to each Interest Reset Date.] [Two U.S. Government Securities Business Days prior to each Interest Payment Date (or, in the case of the final interest period, prior to the Maturity Date or if any series of notes are redeemed in part or in full, the redemption date for such notes)]/[Other] [*in the case of SOFR Notes or certain other notes, as applicable; if Other, insert date*]
(xiii)	Regular Record Dates (if any):	[The 15th calendar day prior to each Interest Payment Date] [The business day prior to each Interest Payment Date] [relevant only to Registered Notes] [Not applicable]

(xiv)	Day Count Fraction:	[Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
(xv)	Calculation Agent:	[Fiscal and Paying Agent] [Other][*if Other, insert name*]

6. Repayment and Redemption:

(i)	Issuer Optional Redemption Date:	[Applicable/Not Applicable][if applicable, provide date]
(ii)	Noteholder Optional Redemption Date:	[Applicable/Not Applicable][if applicable, provide date]
(iii)	Redemption Price:	[ ]
(iv)	Make Whole Redemption:	[Applicable/Not applicable] [if applicable, specify agent calculating the Make Whole Amount] [if applicable, specify spread]
(v)	Calculation Agent:	[Applicable/Not Applicable] [Fiscal and Paying Agent] [Other]

7. Form of Notes:

(i)	Temporary global Note to permanent global Note	[Applicable/Not applicable][Bearer/Registered]
(ii)	Permanent global Note	[Applicable/Not applicable][Bearer/Registered]
(iii)	Bearer Note	[Applicable/Not applicable]
(iv)	Registered Notes	[Applicable/Not applicable]
(v)	New Global Note	[Applicable/Not applicable]
(i)	Exchange of temporary global Notes into definitive Bearer Notes:	[Not applicable][Specify Exchange Date]
(i)	Exchange of permanent global Notes into definitive Bearer Notes:	[Not applicable][Specify Exchange Date]
(i)	Exchange of definitive Bearer Notes into Registered Notes:	[Not applicable][Specify Exchange Date]
(ii)	Exchange of Registered Notes into Registered Notes in other authorized denominations:	[Not applicable][Specify Exchange Date]

8.	**U.S. Selling Restrictions:**	[Rule 144A restrictions on transfers] and [Regulation S Compliance Category 2]; [TEFRA C/TEFRA D/TEFRA not applicable]
9.	**[Prohibition of Sales to EEA Retail Investors:]**	[Applicable/Not Applicable]
10.	**[Prohibition of Sales to United Kingdom Retail Investors:]**	[Applicable/Not Applicable]
11.	**Singapore Sales to Institutional and Accredited Investors only:**	[Applicable/Not Applicable]
12.	**Distribution:**	[Rule 144A/Regulation S][Regulation S only]
13.	**Denominations:**	The Notes will be available in denominations of [ ] and integral multiples of [ ] in excess thereof.
14.	**Managers:**	
	(i) The Notes are being purchased[, on a several and not joint basis,] by the following financial institutions (each a "Manager" and collectively, the "Managers") in the respective amounts set forth next to the name of each Manager pursuant to a Terms Agreement between Issuer and the Managers dated [ ], executed under the Dealer Agreement. To the extent that any of the Managers are not named as Dealers in the Dealer Agreement, Scotiabank Chile has appointed them as Dealers thereunder for this transaction pursuant to the relevant Terms Agreement.	[ ]: [ ](*list all Managers (legal names)*) (*list amount*) Total: [ ]
	(ii) Stabilizing manager(s)	[ ][Not applicable]

Part B Other Information

1. [Admissions to Listing and Trading:

[(i) Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and trading on the Singapore Exchange Securities Trading Limited with effect from [ ] [the Issue Date].]

[(ii) Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [ ] with effect from [ ] [the Issue Date].]

[Estimated total expenses related to the admission to trading: [ ]]]

2. Ratings:

The Notes to be issued [have been][are expected to be] rated:

(i)	Moody's:	[ ][Not applicable]
(ii)	Standard & Poor's:	[ ][Not applicable]
(iii)	Fitch:	[ ][Not applicable]
(iv)	[Other]:	[ ][*Insert the full legal name of credit rating agency*]

3. [Interests of Natural and Legal Persons Involved in the Issue:

[ ]/[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealers and their affiliates have engaged, and/or may in the future engage, in investment banking and/or commercial banking transactions with, and/or may perform other services for, the Issuer and its affiliates in the ordinary course of business.]]

4. Use of Proceeds, Estimated Net Proceeds and Total Expenses:

(i)	Use of proceeds:	[General corporate purposes][ ]
(ii)	Estimated net proceeds to the Issuer (in Specified Currency):	[ ]
(iii)	[Estimated total expenses:	[ ]]

5. Fixed Rate Notes only Yield:

(i)	Indication of yield as of the Original Issue Date:	[ ][Not applicable]

6. Operational Information:

(i) ISIN:	[ ]
(ii) Common Code:	[ ]
(iii) [CUSIP:	[ ]]
(iv) Book-entry Clearing Systems:	[Euroclear Bank S.A./N.V.][Clearstream Banking, S.A.][The Depository Trust Company]
(v) Names and addresses of additional Paying Agent(s) (if any):	[Not applicable] [ ]

7. [Intended to be held in a manner which would allow Eurosystem eligibility:

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Purpose of Pricing Supplement

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [*specify relevant stock exchange/market*] of the Notes described herein pursuant to the U.S.$3,000,000,000 Medium-Term Note Program of Scotiabank Chile.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of:

Scotiabank Chile

By: ______________________________
Duly authorized

Name:
Title:

CERTAIN TAX LEGISLATION AFFECTING THE NOTES

Chilean Taxation

The following is a general overview of the principal consequences under Chilean tax law with respect to an investment in the Notes made by a Foreign Holder (as defined below). It is based on the tax laws of Chile as in effect on the date of this Offering Circular, as well as regulations, rulings and decisions of Chile available on or before such date and now in effect. All of the foregoing are subject to change. Under Chilean law, provisions contained in statutes such as tax rates applicable to foreign investors, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may be amended only by another law or international tax treaty. In addition, the Chilean tax authorities enact rulings and regulations of either general or specific application and interpret the provisions of Chilean tax law. Chilean tax law may not be assessed retroactively against taxpayers who act in good faith relying on such rulings, regulations or interpretations, but Chilean tax authorities may change their rulings, regulations or interpretations prospectively. For purposes of this overview, the term "Foreign Holder" means either (i) in the case of an individual, a person who is not resident or domiciled in Chile (for purposes of Chilean taxation, (a) an individual holder is resident in Chile if he or she has resided in Chile, whether intermittently or not, for a period or periods aggregating more than 183 days within any 12-month period and (b) an individual is domiciled in Chile if he or she resides in Chile with the actual or presumptive intent of staying in Chile (such intention to be evidenced by circumstances such as the acceptance of long-term employment within Chile, the relocation of one's family to Chile or having the principal place of business in Chile)); or (ii) in the case of a legal entity, a legal entity that is not organized under the laws of Chile, unless the Notes are acquired by or assigned to a branch, agent, representative or a permanent establishment of such entity in Chile.

Under the *Ley de Impuesto a la Renta* (the "Income Tax Law"), a Foreign Holder is subject to income tax on Chilean source income. For this purpose, Chilean source income means, in general, income from activities performed in Chile, regardless of the domicile or residence of the taxpayer, or from the sale, disposition or other transactions in connection with assets or goods located in Chile. In addition, the source of interest arising from credits, notes or other debt instruments is deemed to be located where the debtor is domiciled or where the parent company or head office is domiciled in case such credits, notes or instruments are agreed or issued abroad through a permanent establishment.

The Income Tax Law provides that payments of interest or premium, if any, made to a Foreign Holder in respect of the Notes will generally be subject to a Chilean withholding tax currently at the rate of 4.0%. Under existing Chilean law and regulations, a Foreign Holder will not be subject to any Chilean taxes in respect of payments of principal made by the Issuer with respect to the Notes. The Issuer has agreed, subject to specific exceptions and limitations, to pay to the holders of the Notes Additional Amounts in respect of the Taxes mentioned above in order that the interest the Foreign Holder receives, net of such Taxes, equals the amount which would have been received by such Foreign Holder in the absence of such Taxes. If the Issuer pays Additional Amounts in respect of such Chilean withholding taxes, any refunds of such Additional Amounts will be for the account of the Issuer. See "Description of the Notes—Payment of Additional Amounts."

Capital gains earned by a Foreign Holder on the sale or other disposition of a note issued abroad by a Chilean resident company shall be considered foreign source income. Therefore, any capital gains realized on the sale or other disposition by a Foreign Holder of the Notes should not be subject to any Chilean taxes. The Chilean Internal Revenue Service has recognized this criterion in Rulings Nº 604 of 2015 and Nº 1,780 of 2017, holding that bonds issued outside of Chile by Chilean companies would not be deemed located in Chile for capital gain purposes and, consequently, the sale of such bonds by a non-Chilean resident would not be subject to capital gains taxes in Chile.

A Foreign Holder will not be liable for estate, gift, inheritance or similar taxes with respect to its holdings unless Notes held by a Foreign Holder are either located in Chile at the time of such Foreign Holder's death, or, if the Notes are not located in Chile at the time of a Foreign Holder's death, if such Notes were purchased or acquired with cash obtained from Chilean sources. A Foreign Holder will not be liable for Chilean stamp, registration or similar taxes.

The issuance of the Notes is subject to a maximum 0.8% stamp tax which will be payable by the Issuer. If the stamp tax is not paid when due, Chile's Stamp Tax Law imposes a penalty of up to 30% of the amount of the tax due plus inflation adjustments and interest. Until such tax (and any penalty) is paid, Chilean courts will not enforce any action brought with respect to the Notes. The Issuer has agreed, subject to specific exceptions and limitations, to pay to the holders of the Notes, any present or future stamp, court or documentary taxes, charges or levies that arise in the Republic of Chile from the execution, delivery, enforcement or registration of the Notes or any other document or instrument in relation thereto and the Issuer has agreed to indemnify holders of Notes for any such taxes, charges or similar levies paid by holders. See "Description of the Notes—Payment of Additional Amounts."

Pursuant to the Income Tax Law, entities such as banks and insurance companies under the supervision of the CMF (such as the Bank) are not subject to the Chilean Thin Capitalization Rules.

On December 19, 2023, Chile and the United States exchanged diplomatic notes in relation to the Double Taxation Avoidance Convention (the "Convention") and finalized their processing. Most of the provisions have been in effect since January 1, 2024, except for those related to the reduced withholding tax rates, which have been in effect since February 1, 2024. The main provisions contained in the Convention relate to the taxation of (i) income from real property; (ii) business profits; (iii) international transport; (iv) associated enterprises; (v) dividends; (vi) interest; (vii) royalties; (viii) capital gains; (ix) independent personal services; (x) dependent personal services; (xi) directors' fees; (xii) artistes and athletes; (xiii) pensions, social security, alimony and child support; (xiv) government services; (xv) students and trainees; and (xvi) other income.

The following are some of the principal provisions contained in the Convention:

(i) Interest: Interest payments made from Chile to the United States are subject to a 35% withholding tax. Under the Convention, the rate will be reduced to 15%, which would also be subject to an additional decrease to 10% after five years. The Chilean Income Tax law provides a more beneficial reduced 4% withholding tax applicable to certain types of non-resident lenders, such as banks, financial institutions, pension funds and insurance companies, provided certain additional and specific requirements are met.

(ii) Capital Gains: Capital gains from the sale of shares obtained by non-residents in Chile are subject to a 35% withholding tax. Under the Convention, this rate, depending on the type of asset to be disposed of, will be reduced to 16%, if certain conditions established in the Convention are met. In some specific cases, these gains may not be taxed by Chile. When capital gains arise from the sale of stocks, bonds, or other instruments traded on the stock exchange by a resident of a contracting state, they are not subject to withholding tax, provided that certain requirements are met.

(iii) Elimination of Double Taxation: The Convention establishes specific mechanisms to avoid double taxation. The mechanisms include, for example, the granting of a tax credit for taxes paid in the country of origin of the income. The objective is to ensure that a taxpayer is not taxed twice on the same income in both countries, thus encouraging investment between the two countries.

United States Federal Income Taxation

The below discussion only applies to Registered Notes issued pursuant to Rule 144A. Bearer Notes are not being offered to U.S. persons. A U.S. person who owns a Bearer Note will be subject to adverse consequences under U.S. federal income tax law, including disallowance of losses and treatment of gain as ordinary income.

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership, and disposition of the Notes by a U.S. Holder (as defined below). This summary does not address the U.S. federal income tax consequences to holders who are not U.S. Holders or of every type of Note which may be issued under the Program, and the relevant Pricing Supplement will contain additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary only applies to Notes held as capital assets and does not address aspects of U.S. federal income taxation that may be applicable to U.S. Holders that are subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax exempt organizations, dealers or traders in securities or currencies, U.S. Holders that will hold a Note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons required to accelerate the recognition of any item of income with respect to the Notes as a result of such income being recognized on applicable financial statements, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, entities or arrangements treated as partnerships or pass-through entities for U.S. federal income tax purposes or investors therein, or investors that have a functional currency other than the U.S. dollar. Moreover, this summary does not address the consequences of U.S. federal estate and gift tax, state, local, or non-U.S. tax laws, the Medicare tax on net investment income or the alternative minimum tax consequences of the acquisition, ownership or retirement of Notes and does not address the U.S. federal income tax treatment to U.S. Holders that do not acquire Notes as part of the initial distribution at their initial "issue price" (as described below under "—Original Issue Discount").

This summary is based on the Code, existing, temporary and proposed U.S. Treasury regulations, administrative pronouncements and judicial decisions, each as of the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations, which could affect the tax consequences described herein.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax adviser as to the consequences of acquiring, owning or disposing of Notes.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING THE

APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Characterization and Treatment of the Notes

Whether a debt instrument is treated as debt (and not equity or some other instrument or interest) for U.S. federal income tax purposes is an inherently factual question, and no single factor is determinative. The Issuer intends to treat the Notes as indebtedness for U.S. federal income tax purposes unless provided otherwise in the relevant Pricing Supplement, although no assurance can be given with respect to such treatment. The following discussion assumes that such treatment will be respected. If the treatment of the Notes as indebtedness is not upheld, it may affect the timing, amount, and character of income inclusion to a U.S. Holder.

Payments of Interest

Interest on a Note, including any Additional Amounts, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a "foreign currency"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "—Original Issue Discount—General"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder's method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes and original issue discount ("OID"), if any, accrued with respect to the Notes (as described below under "—Original Issue Discount") generally will constitute income from sources outside the United States and generally will be treated as "passive category income" for U.S. foreign tax credit purposes. Any non-U.S. withholding tax paid in respect of a payment of interest to a U.S. Holder on the Notes may be eligible for a foreign tax credit (or a deduction in lieu of such credit) for U.S. federal income tax purposes. However, there are significant complex limitations on a U.S. Holder's ability to claim such a credit or deduction. U.S. Holders should consult their tax advisors regarding the creditability or deductibility of Chilean taxes withheld with respect to the Notes generally and in their particular circumstances.

Original Issue Discount

General

The following is a summary of certain U.S. federal income tax consequences of the ownership of Notes issued with OID.

A Note will be treated as issued with OID (a "Discount Note") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "instalment obligation") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25% of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the product of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the Series of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable at least annually during the entire term of the Note at a single fixed rate (with certain exceptions for certain first or final interest payments), or a variable rate (in the circumstances described below under "—Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining for U.S. federal income tax purposes whether a Note has OID and the yield and maturity of a Note, the Issuer may, under certain circumstances, be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder may, under certain circumstances, be deemed to exercise any put option that has the effect of increasing the yield on the Note. Notice will be given in the relevant Pricing Supplement when the Issuer determines that a particular Note will be a Discount Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder owns the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

In the case of a Note issued with *de minimis* OID, the U.S. Holder generally must include such *de minimis* OID in income as stated principal payments on the Notes are made, in proportion to the amount of the payment relative to the stated principal amount of the Note. Any amount of *de minimis* OID that has been included in income will generally be treated as capital gain.

Additional rules applicable to Discount Notes that are treated as "contingent payment debt instruments" (a "Contingent Note"), Contingent Notes that are denominated in, or determined by reference to, a currency other than the U.S. dollar (a "Foreign Currency Contingent Note"), and Discount Notes that are denominated in, or determined by reference to, a currency other than the U.S. dollar are described in "—Contingent Payment Debt Instruments," "—Foreign Currency Notes—Foreign Currency Contingent Notes" and "—Foreign Currency Notes—Original Issue Discount," respectively, below.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("Variable Interest Rate Notes") generally will bear interest at a "qualified floating rate" (as defined below) and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (*e.g.*, two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate, but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor), may, under certain circumstances, fail to be treated as a qualified floating rate.

An "objective rate" is a rate that is not itself a qualified floating rate, but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits, or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate if variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (*e.g.*, the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument," then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (*i.e.*, at a price below the Note's stated principal amount) equal to or in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant-yield method described above under "—Original Issue Discount—General" by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be calculated such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument, and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument if these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument,” then the Variable Interest Rate Note will be treated as a “contingent payment debt instrument.” See “—Contingent Payment Debt Instruments” below for a discussion of the U.S. federal income tax treatment of such Notes.

Amortizable Bond Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount or, for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortizable bond premium,” in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and such election is irrevocable without the consent of the IRS. See also “—Election to Treat All Interest as Original Issue Discount.” A U.S. Holder that elects to amortize bond premium must reduce its tax basis in the Note by the amount of the premium amortized in any year. Bond premium on a Note held by a U.S. Holder that does not make such an election will decrease the gain or increase the loss otherwise recognized on disposition of the Note.

Benchmark Transition Events

Following the occurrence of a Benchmark Transition Event, the rate of interest on any Notes which pay a floating rate linked to or referencing a benchmark or screen rate, including EURIBOR, SOFR, and any other interbank offered rate, will be determined on the basis of the applicable Benchmark Replacement. It is possible that such replacement of the original reference rate with a Benchmark Replacement could be treated as a significant modification of such Notes. In such event, for U.S. federal income tax purposes, such "old" Notes would be treated as having been exchanged for "new" Notes (a "deemed exchange") and a U.S. Holder could be required to recognize taxable gain with respect to such "old" Notes as result of the "deemed exchange". In addition, such "new" Notes may be treated as being issued with OID (without regard to whether such "old" Notes were issued with OID) or with a different amount of OID than with which such "old" Notes were issued. Notwithstanding the foregoing, and although this issue is not free from doubt, since any such substitution of a Benchmark Replacement for such original reference rate would occur pursuant to the original terms of the Notes, a "deemed exchange" is not expected to occur and a U.S. Holder is not expected to be required to recognize taxable gain with respect to the Notes.

U.S. Holders should consult their own tax advisors with regard to the possibility of a deemed exchange following the occurrence of a Benchmark Transition Event with respect to the Notes.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "—Original Issue Discount—General," with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, and unstated interest, as adjusted by any amortizable bond premium (described above under "—Amortizable Bond Premium"). This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisors concerning the propriety and consequences of this election.

Contingent Payment Debt Instruments

Certain Series or Tranches of Notes may be treated as "contingent payment debt instruments" for U.S. federal income tax purposes ("Contingent Notes"). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as OID and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate, non-exchangeable instrument (the "comparable yield") in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and it must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR U.S. FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation, or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes.

A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under "—Original Issue Discount—General" above, applied to the projected payment schedule. The "adjusted issue price" of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period and decreased by the projected amount of any payments on the Note. No additional income will be recognized upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment) for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired reduces, to the extent not applied to OID accrued for such year, the U.S. Holder's amount realized on the sale, exchange or retirement.

Sale, Exchange or Retirement of Notes

Notes Other than Contingent Notes

A U.S. Holder will generally recognize gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be its cost, increased by the amount of any OID included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. The amount realized does not include the amount attributable to accrued but unpaid qualified stated interest (and any additional amounts paid with respect thereto), which will be taxable as interest income to the extent not previously included in income. Except to the extent attributable to changes in exchange rates (as discussed below), gain or loss recognized on the sale, exchange or retirement of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of the sale, exchange, or retirement. Consequently, subject to the provisions of the U.S.-Chile income tax treaty, a U.S. Holder may not be able to claim a foreign tax credit for any non-U.S. tax imposed upon a sale, exchange or retirement of a Note. In the case of an individual U.S. Holder, any such gain may be eligible for preferential U.S. federal income tax rates if the U.S. Holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

Contingent Notes

Gain from the sale, exchange or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale, exchange or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Any non-U.S. tax imposed on a sale, exchange or retirement of a Contingent Note may be eligible for a foreign tax credit (or a deduction in lieu of such credit) for U.S. federal income tax purposes. However, there are significant complex limitations on a U.S. Holder's ability to claim such a credit or deduction. U.S. Holders should consult their tax advisors regarding the creditability or deductibility of Chilean taxes withheld with respect to the Notes generally and in their particular circumstances.

A U.S. Holder's adjusted tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, an accrual basis U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale, exchange or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Original Issue Discount

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale, exchange or retirement of the Note), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Amortizable Bond Premium

Amortizable bond premium on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such amortizable bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency. On the date amortizable bond premium offsets interest income (or OID), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take amortizable bond premium into account currently will recognize a market loss when the Note matures.

Foreign Currency Contingent Notes

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "Foreign Currency Contingent Note"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisors concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "—Contingent Payment Debt Instruments." The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "—Foreign Currency Notes—Interest." Any positive adjustment (i.e., the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account or, if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (*i.e.*, the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Sale, Exchange or Retirement

Notes other than Foreign Currency Contingent Notes

As discussed above under "—Sale, Exchange or Retirement of Notes," a U.S. Holder will generally recognize gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realized on the sale, exchange or retirement and its adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realized on a sale, exchange or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale, exchange or retirement, or the settlement date for the sale in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) on the sale, exchange or retirement of a Note equal to the difference, if any, between the U.S. dollar value of the U.S. Holder's purchase price for the Note (as adjusted for amortized bond premium, if any) (i) on the date of sale, exchange or retirement and (ii) on the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realized only to the extent of total gain or loss realized on the sale, exchange or retirement.

Any gain or loss recognized by a U.S. Holder in excess of exchange gain or loss recognized on the sale, exchange or retirement of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of the sale, exchange or retirement. In the case of an individual U.S. Holder, any such gain may be eligible for preferential U.S. federal income tax rates if the U.S. Holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

Foreign Currency Contingent Notes

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder's adjusted tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (I) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into

U.S. dollars at the rate at which the OID was accrued and (II) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realized by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realized will be determined by separating such amount realized into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realized allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realized upon a sale or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner but will first be allocated to principal and then to any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realized will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realized upon a sale or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realized over the U.S. Holder's adjusted tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale, exchange or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale, exchange or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realized by a U.S. Holder on the sale, exchange or retirement of a Foreign Currency Contingent Note will generally be non-U.S. source. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale, exchange or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

Dual Currency Notes

U.S. Holders of Notes that are denominated in more than one currency or that have one or more non-currency contingencies and are denominated in one or more foreign currencies will be subject to special rules applicable to "multicurrency debt instruments." A U.S. Holder generally would be required to apply the "noncontingent bond method" in the multicurrency debt instruments' denomination currency, which, for this purpose, would be the multicurrency debt instruments' predominant currency as determined by the Issuer. A description of the principal U.S. federal income tax considerations relevant to holders of multicurrency debt instruments, including specification of the predominant currency, will be set forth, if required, in the relevant Pricing Supplement.

Other Notes

A description of the principal U.S. federal income tax considerations relevant to U.S. Holders of any other type of Note that the Issuer may issue under the Program will be set forth, if required, in the relevant Pricing Supplement.

Backup Withholding and Information Reporting

In general, payments of interest and accruals of OID on, and the proceeds of a sale, exchange or retirement of, the Notes, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding will apply to these payments, including payments of accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with all applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such U.S. Holder's U.S. federal income tax liability and may entitle it to a refund, provided the required information is timely furnished to the IRS.

U.S. Holders should consult their tax advisors regarding any reporting obligations they have as a result of their acquisition, ownership or disposition of the Notes. Failure to comply with these reporting or filing obligations could result in the imposition of substantial penalties.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the U.S. Treasury regulations (U.S.$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing IRS Form 8886 with the IRS. A penalty in the amount of up to U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules.

Foreign Financial Asset Reporting

U.S. taxpayers that own certain foreign financial assets, including debt of non-U.S. entities, with an aggregate value in excess of U.S.$50,000 at the end of the taxable year or U.S.$75,000 at any time during the taxable year (or, for certain individuals living outside of the United States and married individuals filing joint returns, certain higher thresholds) may be required to file an information report with respect to such assets with their tax returns. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are held in an account at a financial institution (in which case the account may be reportable if maintained by a foreign financial institution). U.S. Holders should consult their tax advisors regarding the application of the rules relating to foreign financial asset reporting.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Chile) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final U.S. Treasury regulations defining foreign passthru payments that are published in the U.S. Federal Register, and Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes issued on or prior to the date that is six months after the date on which final U.S. Treasury regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES

General

Unless otherwise specified in the applicable Pricing Supplement, the following provisions shall apply to Foreign Currency Notes which are in addition to, and to the extent inconsistent therewith replace, the description of general terms and provisions of the Notes set forth elsewhere in this Offering Circular.

Payments on Foreign Currency Notes

Purchasers are required to pay for the Notes in the currency specified in the applicable Pricing Supplement. In certain jurisdictions, there may be limited facilities for conversion of home currencies into foreign currencies, and vice versa. In addition, in certain jurisdictions, many banks may not offer foreign currency denominated checking or savings account facilities.

Payment of principal, premium, if any, and interest, if any, on each Note will be made in immediately available funds in the Specified Currency unless otherwise specified in the applicable Pricing Supplement and except as provided under "Changing the Specified Currency of Foreign Currency Notes" below.

Unless otherwise specified in the applicable Pricing Supplement, a holder of the equivalent of U.S.$1,000,000 or more aggregate principal amount of a definitive Registered Note denominated in a Specified Currency other than U.S. dollars may elect subsequent to the issuance thereof that future payments be converted, or not be converted, as the case may be, at the Market Exchange Rate to U.S. dollars by transmitting a written request for such payments to the relevant Paying Agent on or prior to the Regular Record Date or at least 16 days prior to maturity or earlier redemption or repayment, as the case may be. Such request shall include appropriate payment instructions and shall be in writing (mail or hand delivered) or by cable, telex or facsimile transmission. A holder may elect to receive all future payments of principal, premium, if any, and interest in either the Specified Currency or in U.S. dollars, as specified in the written request, and need not file a separate election for each payment. Such election will remain in effect until revoked by a subsequent election made in the manner and at the times prescribed in this paragraph. Owners of beneficial interests in permanent global Notes or holders of definitive Bearer Notes should contact their broker or nominee to determine whether and how an election to receive payment in either U.S. dollars or the Specified Currency may be made.

The "Market Exchange Rate" means, as of any time of determination which shall be two business days prior to payment date the Specified Currencies other than U.S. dollars to U.S. dollar exchange rate as quoted by an exchange rate agent appointed by the Issuer (the "Exchange Rate Agent") for similar client driven orders.

All determinations made by the Exchange Rate Agent shall be at its sole discretion and, in the absence of manifest error, shall be conclusive for all purposes and binding on holders of the Notes and the Exchange Rate Agent shall have no liability therefor. Under no circumstances shall the Issuer bear any responsibility for losses incurred by a holder due to fluctuations in the Market Exchange Rate.

Specific information about the Specified Currency in which a particular Foreign Currency Note is denominated will be set forth in the applicable Pricing Supplement. Any information therein concerning exchange rates is furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

Minimum Denominations, Restrictions on Maturities, Repayment and Redemption

General. Notes denominated in Specified Currencies other than U.S. dollars shall have such minimum denominations and be subject to such restrictions on maturities, repayment and redemption as are set forth below or as are set forth in the applicable Pricing Supplement in the event different restrictions on minimum denominations, maturities, repayment and redemption may be permitted or required from time to time by any relevant central bank or equivalent governmental body, however designated, or by such laws or regulations as are applicable to the Notes or the Specified Currency. Certain restrictions related to the distribution of Notes denominated in Specified Currencies other than U.S. dollars are set forth under "Plan of Distribution" in this Offering Circular. Any other restrictions applicable to Notes denominated in Specified Currencies other than U.S. dollars will be set forth in the applicable Pricing Supplement relating to such Notes.

Minimum Denominations. Unless permitted by then current laws, regulations and directives, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are received by the Issuer in the United Kingdom will only be issued if (a) the redemption value of each such Note is at least £100,000 as determined at the time of issuance or an amount of equivalent value denominated wholly or partly in a currency other than Sterling, (b) no part of any Note may be transferred unless the redemption value of that part is at least £100,000, or such an equivalent amount, and (c) such Notes are issued to a limited class of professional investors, unless the relevant Note(s) can be issued and sold without contravention of Section 19 of the Financial Services and Markets Act 2000 ("FSMA"). See "Plan of Distribution."

Restrictions on Maturities, Repayment and Redemption. All Notes (irrespective of the Specified Currency in which they are denominated) will comply with applicable legal, regulatory and/or central bank requirements in respect of minimum required maturities and limitations on redemption by the Issuer or holder of such Note.

Redenomination

The Issuer may, without the consent of holders of Notes denominated in a Specified Currency of a member state of the European Union, which on or after the issue date of such Notes participates in the European Economic and Monetary Union, on giving at least 30 days' prior notice (the "Redenomination Notice") to the holders of such Notes and on prior notice to the Fiscal Agent, and Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, elect that, with effect from the date specified in the Redenomination Notice (the "Redenomination Date"), such Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes shall be deemed to be redenominated into euro in the denomination of €0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into euro at the Established Rate (defined below); provided that, if the Issuer determines after consultation with the Fiscal Agent that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the holders of Notes, any stock exchange on which the Notes may be listed, the Fiscal Agent and the relevant Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice (defined below) has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued, subject to compliance with all applicable laws and regulations, at the expense of the Issuer in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the relevant Paying Agent may approve) €0.01 and such other denominations as the Issuer shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "Exchange Notice") that replacement euro-denominated Notes and coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although such Notes will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes and coupons, if any, will be issued in exchange for Notes and coupons, if any, denominated in the Specified Currency in such manner as the relevant Paying Agent may specify and as shall be notified to the holders of Notes in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes and the coupons, if any, including payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account outside the United States (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro check mailed to an address outside the United States;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Fixed Interest Rate to each specified denomination, multiplying such sum by the applicable Fixed Day Count Fraction specified in the applicable Pricing Supplement, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

(g) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made as the Issuer may decide, after consultation with the relevant Paying Agent and the calculation agent (if applicable), and as may be specified in the Redenomination Notice, to conform them to conventions then applicable to instruments denominated in euro.

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of European Union pursuant to Article 109L(4) of the treaty establishing the European Communities, as amended by the Treaty on European Union.

"sub-unit" means, with respect to any Specified Currency other than euro, the lowest amount of such Specified Currency that is available as legal tender in the country of such Specified Currency and, with respect to euro, means one cent.

Changing the Specified Currency of Foreign Currency Notes

Payments of principal, premium, if any, and interest, if any, on any Note denominated in a Specified Currency other than U.S. dollars shall be made in U.S. dollars if, on any payment date, such Specified Currency (a) is unavailable due to imposition of exchange controls or other circumstances beyond the Issuer's control or (b) is no longer used by the government of the country issuing such Specified Currency or for the settlement of transactions by public institutions in that country or within the international banking community. Such payments shall be made in U.S. dollars on such payment date and on all subsequent payment dates until such Specified Currency is again available or so used as determined by such Issuer.

Amounts so payable on any such date in such Specified Currency shall be converted into U.S. dollars at a rate determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate. Any payment required to be made on Foreign Currency Notes denominated in a Specified Currency that is instead made in U.S. dollars under the circumstances described above will not constitute a default of any obligation of the Issuer under such Notes.

The provisions of the two preceding paragraphs shall not apply in the event of the introduction in the country issuing any Specified Currency of the euro pursuant to the entry of such country into European Economic and Monetary Union. In such an event, payments of principal, premium, if any, and interest, if any, on any Note denominated in any such Specified Currency shall be effected in euro at such time as is required by, and otherwise in conformity with, legally applicable measures adopted with reference to such country's entry into the European Economic and Monetary Union.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been accurately reproduced and far as the Issuer is aware and able to ascertain from information published by such third-party Clearing Systems, no facts have been omitted that would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Fiscal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-Entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to section 17A of the Exchange Act. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "Rules"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("DTC Notes") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("Owners") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("Beneficial Owner") is, in turn, to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "Transfer and Selling Restrictions."

Since DTC may only act on behalf of Direct Participants, who, in turn, act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-Entry Ownership of and Payments in Respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective principal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to an exchange agent appointed by the Issuer on behalf of DTC or its nominee and such exchange agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Fiscal Agent, the relevant Paying Agent or Transfer Agent, the relevant Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC or Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of notes in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. However, as discussed above, such exchanges will generally not be available. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who, in turn, act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

On or after the Original Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date one business day after the trade date (T+1). The customary arrangements for delivery versus payment will apply to such transfers.

Transfers of interests between the relevant Registered Global Notes will be effected through the relevant Registrar, the relevant Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. For such transactions, the Notes will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents nor any Dealer will be responsible for any performance by DTC, Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in the Dealer Agreement, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Description of the Notes." In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Program and the issue of Notes under the Program and to indemnify the Dealers certain liabilities incurred by them in connection therewith.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes. Each purchaser of Registered Notes or person wishing to transfer an interest from one Registered Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in a Regulation S Global Note, the applicable distribution compliance period has elapsed and it is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and which takes delivery in the form of an interest in the Rule 144A Global Note, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to another available exemption from registration under the Securities Act or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(d) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(f) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET

FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT AND OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALE OF THIS NOTE.

THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE FISCAL AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED NOTES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.”

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the 40-day distribution compliance period which commences upon completion of distribution of all the Notes of the Tranche of which the Notes being resold or otherwise transferred forms a part of the offering and the closing date with respect to the original issuance of the Notes, it will do so only (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act and (ii) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT AND PURSUANT TO AN

EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF FORTY DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.";

(h) that (x) either: (i) no portion of the assets used by it to purchase and hold the Notes constitutes assets of (a) any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) any plan, individual retirement account ("IRA") or other arrangement subject to Section 4975 of the Code, (c) any entity whose underlying assets are considered to include "plan assets" (as defined in ERISA) of any such employee benefit, plan, account or arrangement (each of the foregoing in clauses (a), (b) and (c), a "Plan") or (d) any non-U.S., governmental or church plan subject to any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Law") and/or laws or regulations that provide that the assets of the Issuer could be deemed to include "plan assets" of such plan (each, an "Other Plan Investor"), or (ii) (a) the purchase and holding of the Notes by such purchaser will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of Other Plan Investors, will not result in a violation of any applicable Similar Law and will not subject the Issuer to any laws, rules, or regulations applicable to such Other Plan Investor solely as the result of the investment in the Notes by such Other Plan Investor and (b) none of the Issuer, the Dealers or any of their respective affiliates is providing investment advice, or giving advice in a fiduciary capacity, in connection with the purchase, holding or disposition of the Notes; and (y) if it is a Plan, the decision to acquire and hold the Notes has been made by a duly authorized fiduciary who is independent of the Issuer, the Arrangers, the Dealers and their respective affiliates (collectively, the "Transaction Parties") and none of the Transaction Parties has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise acting as a fiduciary; and such purchaser acknowledges that the Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"(X) EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER: (I) NO PORTION OF THE ASSETS USED BY IT TO PURCHASE AND HOLD the NOTES CONSTITUTES ASSETS OF (A) ANY EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) ANY PLAN, INDIVIDUAL RETIREMENT ACCOUNT ("IRA") OR OTHER ARRANGEMENT SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" (FOR PURPOSES OF ERISA) OF ANY SUCH EMPLOYEE BENEFIT, PLAN, ACCOUNT OR ARRANGEMENT (EACH OF THE FOREGOING IN CLAUSES (A), (B) AND (C), A "PLAN") OR (D) ANY NON-U.S., GOVERNMENTAL OR CHURCH PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAWS") AND/OR LAWS OR REGULATIONS THAT PROVIDE THAT THE ASSETS OF THE ISSUER COULD BE DEEMED TO INCLUDE "PLAN ASSETS" OF SUCH PLAN (EACH, AN "OTHER PLAN INVESTOR"), OR (II) (A) THE PURCHASE AND HOLDING OF THE NOTES BY SUCH PURCHASER WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF OTHER PLAN INVESTORS, WILL NOT RESULT IN A VIOLATION OF ANY APPLICABLE SIMILAR LAW AND WILL NOT SUBJECT THE ISSUER TO ANY LAWS, RULES, OR REGULATIONS APPLICABLE TO SUCH OTHER PLAN INVESTOR SOLELY AS THE RESULT OF THE INVESTMENT IN THE NOTES BY SUCH OTHER PLAN INVESTOR AND (B) NONE OF

THE ISSUER, THE DEALERS OR ANY OF THEIR RESPECTIVE AFFILIATES IS PROVIDING INVESTMENT ADVICE, OR GIVING ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE PURCHASE, HOLDING OR DISPOSITION OF THE NOTES; AND (Y) IF IT IS A PLAN, THE DECISION TO ACQUIRE AND HOLD THE NOTES HAS BEEN MADE BY A DULY AUTHORIZED FIDUCIARY WHO IS INDEPENDENT OF THE ISSUER, THE ARRANGERS, THE DEALERS AND THEIR RESPECTIVE AFFILIATES (COLLECTIVELY, THE "TRANSACTION PARTIES") AND NONE OF THE TRANSACTION PARTIES HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THE NOTES, AND THEY ARE NOT OTHERWISE ACTING AS A FIDUCIARY";

(i) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$100,000 (or its foreign currency equivalent) of Registered Notes.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In connection with any Notes which are offered or sold outside the United States in reliance on the safe harbor from the registration requirements of the Securities Act provided under Regulation S ("Regulation S Notes"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until forty days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Program will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until forty days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers, directly or through their respective U.S. broker dealer affiliates, may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$150,000 (or the approximate equivalent thereof in any other Specified Currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4) so long as the Notes are considered "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by United States Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

The applicable Pricing Supplement will specify whether the TEFRA C Rules or the TEFRA D Rules are applicable to the Bearer Notes, or whether neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

In the case of Bearer Notes to which the TEFRA D Rules have been specified to apply, the Notes may not be delivered, offered, sold or resold, directly or indirectly, in connection with their original issuance or during the Restricted Period in the United States to or for the account of any United States person, other than to certain persons as provided under United States Treasury regulations. An offer or sale will be considered to be made to a person within the United States if the offeror or seller has an address within the United States for the offeree or purchaser with respect to the offer or sale. In addition, each Dealer has represented and agreed (and each further Dealer appointed under the Program will be required to represent and agree) that:

(a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the Restricted Period will not offer or sell, Notes in bearer form to a person who is within the United States or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States definitive Notes in bearer form that are sold during the Restricted Period;

(b) it has and throughout the Restricted Period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or to a United States person, except as permitted by the TEFRA D Rules;

(c) if such Dealer is a United States person, it represents that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and, if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate (if any) that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (i) hereby represents and agrees on behalf of such affiliate (if any) to the effect set forth in sub-paragraphs (a), (b) and (c) of this paragraph or (ii) agrees that it will obtain from such affiliate (if any) for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (a), (b) and (c) of this paragraph.

Where the TEFRA C Rules are specified in the applicable Pricing Supplement as being applicable to any Tranche of Bearer Notes, such Notes must be issued and delivered outside the United States in connection with their original issuance. Accordingly, each Dealer has represented and agreed (and each additional Dealer appointed under the Program will be required to represent and agree) in respect of such Notes that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any such Notes within the United States in connection with the original issuance. Further, each Dealer has represented and agreed (and each further Dealer appointed under the Program will be required to represent and agree) in connection with the original issuance of such Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such purchaser is within the United States or its possessions and will not otherwise involve the U.S. office of such Dealer in the offer and sale of Notes.

Each Dealer has agreed, and each further Dealer appointed under the Program will be required to agree, that it has not entered and will not enter into any contractual arrangements with respect to the distribution or delivery of Notes except with its affiliates (if any) or with the prior written consent of the Issuer.

Each Bearer Note having a maturity of more than 365 days (including unilateral rights to rollover or extend) and interest coupons pertaining to such Note, if any, will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

European Economic Area

If the applicable Pricing Supplement in respect of any Notes issued under this Offering Circular specifies "Prohibition of Sales to Retail Investors" as "Applicable," each Dealer will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA (Iceland, Norway and Liechtenstein in addition to the member states of the European Union). For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

If the applicable Pricing Supplement in respect of any Notes issued under this Offering Circular specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable," each Dealer will be required to represent and agree in relation to each Member State of the EEA (each, a "Relevant State") that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time if the denomination per Note being offered amounts to at least €100,000 (or equivalent);

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Notes shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression of an offer in relation to the Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase or subscribe for any Notes, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

If the applicable Pricing Supplement for the Notes issued under this Offering Circular specifies "Prohibition of Sales to UK Retail Investors" as "Applicable," each Dealer will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision: the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

If the applicable Pricing Supplement in respect of any Notes issued under this Offering Circular specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable," each Dealer will be required to represent and agree, that it has not made and will not make any offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;

(c) at any time if the denomination per Note being offered amounts to at least €100,000 (or equivalent); or

(d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Notes referred to in (a) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In connection with any offering of Notes hereunder, none of the Dealers that are regulated in the United Kingdom are acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to any such offering.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the "Financial Instruments and Exchange Act") and each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that it has not offered or sold and it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

If the applicable Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

If the applicable Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Offering Circular has not been registered as a Prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Investors should note that there may be restrictions on the secondary sale of the Notes under Section 276 of the SFA.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Australia

No prospectus or other disclosure document (as defined by the Corporations Act 2001 of Australia (the "Corporations Act")) in relation to the Program or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("ASIC").

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that unless the applicable Pricing Supplement (or a supplement to this Offering Circular) otherwise provides, it:

(a) has not made offers or invited applications (directly or indirectly), and will not make offers or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this Offering Circular, any Supplement, any other prospectus, any disclosure document, advertisement or other offering material relating to the Notes in Australia,

unless:

(i) the offeree is a "wholesale client" within the meaning of section 761G(4) of the Corporations Act;

(ii) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in any alternative currency but, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements of Chapter 7 of the Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC.

Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Corporations Act if the Issuer is an Australian ADI (as defined in the Corporations Act).

Switzerland

Except where explicitly permitted by the applicable Pricing Supplement (or a supplement to this Offering Circular or a local prospectus):

(i) no public offer of the Notes shall be made, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the Swiss Financial Services Act (the "FinSA");

(ii) the Notes will not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland;

(iii) no offer, sale, advertisement or distribution of the Notes shall be made, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the FinSA, except to professional clients as such term is defined or interpreted under the FinSA ("Professional Investors"); and

(iv) no key information document pursuant to article 58(1) FinSA (or any equivalent document under the FinSA) has been or will be prepared in relation to any Notes and, therefore, any Notes with a derivative character within the meaning of article 86(2) of the Swiss Financial Services Ordinance may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

The Notes may not be publicly offered, directly or indirectly, in Switzerland, except (i) to Professional Investors or (ii) if the applicable Pricing Supplement (or a supplement to this Offering Circular or a local prospectus) explicitly permits a public offer in Switzerland. Offering of, or marketing materials relating to, Notes that are not subject to a Pricing Supplement (or a supplement to this Offering Circular or a local prospectus) explicitly permitting a public offer in Switzerland, may not be distributed or otherwise made available in Switzerland, except to Professional Investors.

The Notes shall not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland except in the case the Notes or the applicable Pricing Supplement (or a supplement to this Offering Circular or a local prospectus) that explicitly provide for such an admission to trading in Switzerland.

The Notes do not constitute participations in a collective investment scheme within the meaning of the Swiss Collective Investment Schemes Act ("CISA"). Therefore, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("FINMA"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.

Dubai

This Offering Circular relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This Offering Circular is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Circular nor taken steps to verify the information set forth herein and has no responsibility for the Offering Circular. The shares to which this Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this Offering Circular you should consult an authorized financial advisor.

Brazil

The offer and sale of the Notes have not been and will not be registered with the Brazilian Securities Commission (*comissão de valores mobiliários*, or "CVM") and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No 160, dated 13 July 2022, as amended ("CVM Resolution 160") or unauthorized distribution under Brazilian laws and regulations. The Notes will be authorized for trading on organized non-Brazilian securities markets and may only be offered to Brazilian professional investors (as defined by applicable CVM regulation), who may only acquire the Notes through a non-Brazilian account, with settlement outside Brazil in non-Brazilian currency. The trading of these securities on regulated securities markets in Brazil is prohibited.

Peru

In Peru, this offering will be considered a public offering directed exclusively to institutional investors under CONASEV Resolution No. 079-2008-EF/94.01.1.

The Notes and this Offering Circular have been registered with the SMV in accordance with the procedure set forth in SMV Resolution No. 004-2011-EF/94.01.1, applicable to international offerings with a placement tranche in Peru executed in reliance with Rule 144A of the Act.

In order to purchase the Notes, institutional investors in Peru must sign a statement representing that they understand (i) differences which exist among the accounting and tax treatment in Peru and the country or countries where the Notes will be traded, and (ii) the terms and conditions of the Notes.

Chile

The Notes will not be registered under Law No. 18,045 of Chile, as amended, with the CMF, and accordingly, they may not be offered to persons in Chile, except in circumstances that do not constitute a public offering under Chilean law.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering.

General

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

PLAN OF DISTRIBUTION

The Notes are being offered on a continuous basis for sale by the Issuer to or through BofA Securities, Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, J.P. Morgan Securities plc, Scotiabank Europe plc, Scotia Capital (USA) Inc. and The Bank of Nova Scotia, Hong Kong Branch, together with such other Dealers as may be appointed by the Issuer with respect to a particular Series of Notes, pursuant to a dealer agreement entered into on April 28, 2020 and any accession letter entered into from time to time in connection therewith (as amended and modified or supplemented from time to time, the "Dealer Agreement"). One or more Dealers may purchase the Notes, as principal or agent or on a riskless principal basis, from the Issuer from time to time for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by any Dealer, or, if so specified in the relevant Pricing Supplement, for resale at a fixed offering price. Any Dealers of the Notes that are not U.S. registered broker-dealers will agree that they will offer and sell the Notes within the United States only through U.S. registered broker-dealers. If the Issuer and a Dealer agree, a Dealer may also utilize its reasonable efforts on an agency basis to solicit offers to purchase the Notes.

The offering of the Notes by the Dealers is subject to receipt and acceptance of the Notes by the applicable Dealer, and subject to the Dealer's right to reject any order in whole or in part.

The Issuer has agreed to indemnify the several Dealers against certain liabilities, including liabilities under the Securities Act.

In connection with an offering of the Notes, one or more Dealers designated as Managers in the relevant Pricing Supplement will initially propose to offer the Notes for resale at the issue price that appears in the relevant Pricing Supplement. After the initial offering, the relevant Managers may change the offering price and any other selling terms. Managers may offer and sell Notes through certain of their affiliates.

In connection with any offering of Notes, the Managers may purchase and sell such Notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by a Manager of a greater principal amount of Notes than it is required to purchase in the offering. A Manager may close out any short position by purchasing Notes in the open market. A short position is more likely to be created if a Manager is concerned that there may be downward pressure on the price of the Notes in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of the Notes made by a Manager in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the Notes. Additionally, these purchases may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. However, there is no assurance that the Managers will undertake stabilization transactions. If the Managers engage in stabilizing or short-covering transactions, they may discontinue them at any time, and if begun, must be brought to an end after a limited period. Any over-allotment stabilizing and short- covering transaction must be conducted by the relevant managers, or persons acting on their behalf, in accordance with applicable laws. These transactions may be effected in the over-the-counter market or otherwise.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. If any of the Managers or their affiliates has a lending relationship with the Issuer, certain of those Managers or their affiliates routinely hedge, and certain other of those Managers or their affiliates may hedge, their credit exposure to the Issuer consistent with customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of any issuance of Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, the Offering Circular is only for distribution to and directed at: (i) in the United Kingdom, persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") and high net worth entities falling within Article 49(2)(a) to (d) of the Order; (ii) persons who are outside the United Kingdom; and (iii) any other person to whom it can otherwise be lawfully distributed (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which the Offering Circular relates is available only to and will be engaged in only with Relevant Persons, and any person who is not a Relevant Person should not rely on it. It is a condition of receiving the Offering Circular that recipients represent and warrant to the Issuer and its professional advisers and contractors that (i) they are a Relevant Person; and (ii) they have read and agree to comply with the contents of this notice.

GENERAL INFORMATION

Authorization

The establishment of the Program has been duly authorized by resolutions of the Board of Directors of the Issuer dated October 30, 2019. The Issuer has agreed to obtain from time to time all necessary consents, approvals and authorizations for the update of the Program and each issue of Notes under the Program.

Listing

Application has been made to the SGX-ST for permission to deal in, and quotation of, any Notes which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List.

Admission to the Official List and any quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, for so long as such Notes are listed on the SGX-ST, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST with a minimum board lot size of S$200,000 or its equivalent in other currencies.

Clearing Systems

The Notes to be issued under the Program have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg. The appropriate CUSIP, common code and/or ISIN for each Tranche of Notes allocated to the Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

No Significant Change

Save as disclosed in this Offering Circular, there has been no significant or material adverse change in the financial position or prospects of the Bank since December 31, 2024.

Litigation

Save as disclosed in this Offering Circular, the Bank is not involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which may have or have had in the 12 months preceding the date of this Offering Circular a significant effect on the financial position of the Bank.

Independent Auditors

The consolidated financial statements of Scotiabank Chile and its subsidiaries as of December 31, 2024, 2023 and 2022 and for the years then ended included in this Offering Circular have been audited by KPMG Auditores y Consultores Ltda, independent auditors, as stated in their reports appearing herein.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 54930018SOOHBHRLWC16.

Available Documents

For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Bank:

(i) the Agency Agreement (which includes the form of the Global Notes and the Notes in definitive form);

(ii) the by-laws and articles of incorporation of the Bank;

(iii) copies of the Bank's most recent audited financial statements;

(iv) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Bank as to its holding of Notes and identity); and

(v) a copy of this Offering Circular together with any supplementary offering circular.

INDEX TO FINANCIAL STATEMENTS

Scotiabank Chile and Subsidiaries

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Financial Statements
as at December 31, 2024 and 2023
and for the years then ended

(With the Independent Auditors' Report Thereon)

Scotiabank

SCOTIABANK CHILE AND SUBSIDIARIES

CONTENTS

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

KPMG

Independent Auditors' Report

The Shareholders and Directors of
Scotiabank Chile:

Opinion

We have audited the accompanying consolidated financial statements of Scotiabank Chile and its Subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the related consolidated statements of income, other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Scotiabank Chile and its Subsidiaries as at December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting standards and instructions issued by the Chilean Financial Market Commission (CMF).

Basis for Opinion

We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Our responsibilities under those standards are further described in paragraphs under section "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" of our report. We are required to be independent of Scotiabank Chile and its Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant requirements relevant to our audits of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the standards and instructions provided by the Financial Market Commission (CMF), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Scotiabank Chile and its Subsidiaries' ability to continue as a going concern for, at least, twelve months from the end of the reporting period, without limiting to such period.

Santiago
Av. Presidente Riesco 5685,
piso 15, Las Condes

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with Auditing Standards Generally Accepted in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations, or Management's override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with Auditing Standards Generally Accepted in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scotiabank Chile and its Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about Scotiabank Chile and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during the audit.

Jorge Maldonado G. KPMG Ltda.

Santiago, January 30, 2025

SCOTIABANK CHILE AND SUBSIDIARIES

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023

	Notes	12/31/2024 MCh$	12/31/2023 MCh$
ASSETS			
Cash and deposits in banks	7	866,475	1,209,884
Transactions pending settlement	7	604,970	389,141
Financial assets held for trading at fair value through profit or loss			
Derivative instruments	8	6,153,446	5,694,324
Financial debt securities	8	618,883	193,820
Other	8	22,878	56,197
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	1,889,506	2,188,905
Other	11	-	-
Derivative instruments for accounting hedge	12	330,263	317,308
Financial assets at amortized cost			
Rights under resale agreements and securities lending agreements	13	262,360	226,394
Financial debt securities	13	25,767	1,387,601
Loans and advances to banks	13	1,564	25,223
Loans and accounts receivable from customers - Commercial Loans	13	13,804,771	13,738,775
Loans and accounts receivable from customers - Mortgage Loans	13	14,111,555	13,846,343
Loans and accounts receivable from customers - Consumer Loans	13	4,038,882	3,814,689
Investments in companies	14	38,756	34,220
Intangible Assets	15	255,606	255,425
Property and equipment	16	74,715	84,327
Right-of-use assets under lease contracts	17	145,143	159,569
Current taxes	18	3,832	2,413
Deferred tax assets	18	403,213	360,658
Other assets	19	848,054	708,531
Non-current assets and disposal groups held for sale	20	20,735	19,734
TOTAL ASSETS		**44,521,374**	**44,713,481**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023

	Notes	12/31/2024 MCh$	12/31/2023 MCh$
LIABILITIES			
Transactions pending settlement	7	455,278	333,372
Financial liabilities held for trading at fair value through profit or loss			
Derivative instruments	21	5,214,340	4,606,750
Other	21	-	-
Financial liabilities designated at fair value through profit or loss	10	-	-
Derivative instruments for accounting hedge	12	1,554,070	1,455,656
Financial liabilities at amortized cost			
Deposits and other on-demand liabilities	22	5,605,991	4,850,696
Term and other on-demand deposits	22	13,130,590	13,181,368
Liabilities under repurchase agreements and securities lending	22	501,243	163,647
Bank borrowings	22	2,455,157	5,368,647
Debt financial instruments issued	22	8,110,081	8,186,492
Other financial liabilities	22	199,572	156,392
Lease liabilities	17	138,208	149,308
Regulatory capital financial instruments issued	23	1,953,891	1,201,214
Provisions for contingencies	24	43,700	55,274
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	25	133,659	122,388
Special allowances for credit losses	26	192,337	193,134
Current taxes	18	2,567	63,222
Deferred tax liabilities	18	836	795
Other liabilities	27	982,513	1,050,148
Liabilities included in disposal groups held for sale	20	-	-
TOTAL LIABILITIES		**40,674,033**	**41,138,503**
EQUITY			
Capital	28	1,368,421	1,368,421
Reserves	28	381,405	381,405
Accumulated other comprehensive income			
Items that will not be reclassified to profit or loss	28	5,219	5,044
Items that can be reclassified to profit or loss	28	(76,074)	(41,189)
Retained earnings from previous years	28	1,722,476	1,436,903
Profit for the year	28	432,944	407,961
Less: Provisions for dividends, payment of interest and repricing of issued regulatory capital financial instruments	28	(132,784)	(122,388)
Attributable to the owners of the Bank:	28	3,701,607	3,436,157
Non-controlling interest	28	145,734	138,821
TOTAL EQUITY		**3,847,341**	**3,574,978**
TOTAL LIABILITIES AND EQUITY		**44,521,374**	**44,713,481**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Income
for the years ended December 31, 2024 and 2023

	Notes	12/31/2024 MCh$	12/31/2023 MCh$
Interest income		2,221,187	2,488,415
Interest expense		(1,314,189)	(1,637,454)
Net interest income	30	**906,998**	**850,961**
Indexation income		833,835	787,378
Indexation expense		(428,773)	(417,263)
Net indexation income	31	**405,062**	**370,115**
Fee and commission income	32	320,474	295,236
Fee and commission expense	32	(103,846)	(97,570)
Net fee and commission income	32	**216,628**	**197,666**
Net financial result for :			
Financial assets and liabilities held for trading	33	311,096	185,942
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	1,576	8,289
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	33	(220,036)	(89,832)
Reclassifications of financial assets due to change in business model	33	-	-
Other financial result	33	(1,891)	(2,918)
Net financial result	33	**90,745**	**101,481**
Equity in net income of investees	34	4,592	6,362
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	35	(1,315)	845
Other operating income	36	44,063	50,795
TOTAL OPERATING INCOME		**1,666,773**	**1,578,225**
Expenses for employee benefit obligations	37	(311,865)	(307,418)
Administrative expenses	38	(260,799)	(241,090)
Depreciation and amortization	39	(72,716)	(66,914)
Impairment of non-financial assets	40	(339)	(264)
Other operating expenses	36	(32,601)	(49,436)
TOTAL OPERATING EXPENSES		**(678,320)**	**(665,122)**
OPERATING INCOME BEFORE CREDIT LOSSES		**988,453**	**913,103**

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Income
for the years ended December 31, 2024 and 2023

	Notes	12/31/2024 MCh$	12/31/2023 MCh$
Credit loss expenses for:			
Allowances for credit losses on loans and advances to banks and loans and accounts receivable from customers	41	(518,433)	(493,988)
Special allowances for credit losses	41	2,254	(1,467)
Recovery of written-off loans	41	79,428	76,228
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	41	167	(2,699)
Credit loss expense	41	(436,584)	(421,926)
OPERATING INCOME		**551,869**	**491,177**
Profit or loss from continuing operations before taxes		**551,869**	**491,177**
Income tax expense	18	(94,546)	(74,612)
Profit or loss from continuing operations after taxes		**457,323**	**416,565**
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 YEAR		**457,323**	**416,565**
Attributable to:			
Owners of the Bank	28	432,944	407,961
Non-controlling interest		24,379	8,604
Earnings per share attributable to equity owners:			
Basic and diluted earnings	28	Ch$35.36	Ch$33.32

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Other Comprehensive Income
for the years ended December 31, 2024 and 2023

	12/31/2024 MCh$	12/31/2023 MCh$
CONSOLIDATED PROFIT FOR THE YEAR	**457,323**	**416,565**
Other comprehensive income for the period from :		
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
Remeasurements of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	(227)	(64)
Changes in the fair value of equity instruments designated at fair value through other comprehensive income	341	2,503
Changes in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in the credit risk of the financial liability	-	-
Other	-	-
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX	**114**	**2,439**
Income tax on other comprehensive income that will not be reclassified to profit or loss	61	17
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX	**175**	**2,456**
ITEMS THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS		
Changes in the fair value of financial assets at fair value through other comprehensive income	34,069	44,127
Translation differences for foreign entities	-	-
Accounting hedges of net investments in foreign entities	-	-
Cash flow hedge accounting	(81,903)	94,661
Undesignated items of hedging accounting instruments	-	-
Other	46	256
OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	(47,788)	139,044
Income tax on other comprehensive income that can be reclassified to profit or loss	12,903	(38,011)
TOTAL OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	**(34,885)**	**101,033**
OTHER TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(34,710)**	**103,489**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	**422,613**	**520,054**
Attributable to:		
Owners of the Bank	398,234	511,454
Non-controlling interest	24,379	8,600

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Cash Flows
for the years ended December 31, 2024 and 2023

	Notes	12/31/2024 MCh$	12/31/2023 MCh$
A) CASH FLOWS FROM OPERATING ACTIVITIES:			
CONSOLIDATED INCOME BEFORE TAXES FOR THE YEAR		551,869	491,177
Debit (credit) to profit or loss not representing movements in cash flows:			
Income tax expense	18	(145,229)	(116,139)
Changes in deferred tax assets and liabilities	18	50,683	41,527
Depreciation and amortization	39	72,716	66,914
Impairment of assets	40-41	172	2,963
Allowances for credit losses	41	516,179	495,455
Net income from assets received in lieu of payment or awarded in legal auction	35	3,050	(697)
Net gain (loss) from non-current assets held for sale	35	(2,654)	(798)
Net gain (loss) from disposal groups held for sale	35	-	-
Net interest income	30	(906,998)	(850,961)
Net indexation income	31	(405,062)	(370,115)
Net fee and commission income	32	(216,628)	(197,666)
Equity share of profit (loss) from investments in related companies	34	(4,592)	(6,362)
Effect of fair value adjustment on derivative instruments		(177,055)	(4,562)
Other operating income	36	-	-
Other debits (credits) to profit or loss not representing movements in cash flows		(25,987)	(85,756)
Changes due to increase / decrease of assets and liabilities affecting the operating flow:			
(Increase) decrease in financial debt securities		958,079	(1,271,535)
(Increase) decrease in loans and advances to banks		20,000	42,081
(Increase) decrease under resale agreements and securities lending agreements		(5,164)	1,991
(Increase) decrease in loans and advances to customers		(783,900)	1,390,297
Increase (decrease) in other assets		(132,357)	50,366
(Increase)decrease in non-current assets and disposal groups held for sale		(989)	(4,560)
Net change in financial derivative contracts / financial derivative contracts for hedge		410,982	(486,152)
Net variation on deposits and other on-demand liabilities		(2,864,147)	16,556
Net variation on debt financial instruments issued		403,040	448,866
Net variation on regulatory capital financial instruments issued		(6,100)	157,440
Net change in other financial obligations		39,716	31,769
(Decrease) increase in deposits and other on-demand liabilities		739,553	(221,840)
(Decrease) increase in liabilities under repurchase agreements and securities lending		340,484	(45,493)
(Decrease) increase in term and other on-demand deposits		93,267	(767,218)
(Decrease) increase in other liabilities		(44,654)	506
Disposal of assets received in lieu of payment or awarded		12,648	12,661
Net change in investment securities		283,881	(227,776)
Interest received		2,302,044	2,295,245
Interest paid		(1,375,750)	(1,397,200)
Indexation received		510,677	369,674
Indexation paid		(387,239)	(367,530)
Fees and commissions received	32	320,474	295,236
Fees and commissions paid	32	(103,846)	(97,570)
Taxes and fines paid	38	(173)	(132)
Collection of remaining balance of taxes from previous years		5,001	50,880
Total net cash flows generated from (used in) operating activities		**45,991**	**(258,458)**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Cash Flows
for the years ended December 31, 2024 and 2023

	Notes	12/31/2024 MCh$	12/31/2023 MCh$
B) CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of investments in companies	14	-	-
Disposals of investments in companies	14	-	-
Dividends received from investments in companies	34	400	756
Acquisitions of Property and equipment	16	(4,604)	(8,328)
Disposals of Property and equipment		3,117	1,716
Acquisitions of intangible assets	15	(47,333)	(59,733)
Disposals of intangible assets		-	-
Total net cash flows generated from (used in) investing activities		**(48,420)**	**(65,589)**
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		501,274	1,130,564
Redemption and payment of interest / principal on current bonds		(1,233,481)	(1,370,361)
Issuance of mortgage bonds		-	-
Redemption and payment of interest / principal on mortgage bonds		-	-
Payment of interest/principal on lease contracts	17	(14,960)	(15,422)
Subordinated bonds issuance		31,199	138,504
Payment of interest and principal on subordinated bonds	23	(72,034)	(116,434)
Issuance of bonds with no fixed maturity date		696,318	-
Redemption and payment of interest of bonds with no fixed maturity date		-	-
Issuance of preference shares		-	-
Redemption of preference shares and payment of preference shares dividends		-	-
Increase in paid-in capital by issuance of ordinary shares		-	-
Payment of ordinary shares dividends	28	(122,388)	(146,260)
Attributable to non-controlling interest			
Payment of dividends an/or withdrawals of paid-in capital made with respect to subsidiaries related to non-controlling interest		(17,466)	(10,006)
Total net cash flows generated from (used in) financing activities		**(231,538)**	**(389,415)**
D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR		(233,967)	(713,462)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		27,497	11,752
INITIAL BALANCE OF CASH AND CASH EQUIVALENTS		1,539,860	2,241,570
FINAL BALANCE OF CASH AND CASH EQUIVALENTS		**1,333,390**	**1,539,860**

The Consolidated Statements of Cash Flows as at December 31, 2024 and 2023 were prepared under the indirect method, determining the variation between the balances as at such dates.

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
for the years ended December 31, 2024 and 2023

	Equity attributable to owners						
	Capital	Reserves	Accumulated other comprehensive income	Retained earnings from previous years and profit for the period	Total	Non-controlling interest	Total equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Opening balances as at January 1, 2024	**1,368,421**	**381,405**	**(36,145)**	**1,722,476**	**3,436,157**	**138,821**	**3,574,978**
Payment of ordinary shares dividends	-	-	-	(122,388)	(122,388)	(17,466)	(139,854)
Provision for payment of ordinary shares dividends	-	-	-	(7,495)	(7,495)	-	(7,495)
Provision for interest on bonds with no fixed maturity term	-	-	-	(2,901)	(2,901)	-	(2,901)
Subtotal: Transactions with the owners for the period	1,368,421	381,405	(36,145)	1,589,692	3,303,373	121,355	3,424,728
Profit for the period	-	-	-	432,944	432,944	24,379	457,323
Other comprehensive income (loss) for the period	-	-	(34,710)	-	(34,710)	-	(34,710)
Subtotal: Comprehensive income (loss) for the period	-	-	(34,710)	432,944	398,234	24,379	422,613
Closing balances as at December 31, 2024	**1,368,421**	**381,405**	**(70,855)**	**2,022,636**	**3,701,607**	**145,734**	**3,847,341**
Opening balances as at January 1, 2023	**1,368,421**	**381,405**	**(139,638)**	**1,436,903**	**3,047,091**	**140,227**	**3,187,318**
Payment of ordinary shares dividends	-	-	-	(146,260)	(146,260)	(10,006)	(156,266)
Provision for payment of ordinary shares dividends	-	-	-	23,872	23,872	-	23,872
Subtotal: Transactions with the owners for the period	1,368,421	381,405	(139,638)	1,314,515	2,924,703	130,221	3,054,924
Profit for the year	-	-	-	407,961	407,961	8,604	416,565
Other comprehensive income (loss) for the period	-	-	103,493	-	103,493	(4)	103,489
Subtotal: Comprehensive income (loss) for the period	-	-	103,493	407,961	511,454	8,600	520,054
Closing balances as at December 31, 2023	**1,368,421**	**381,405**	**(36,145)**	**1,722,476**	**3,436,157**	**138,821**	**3,574,978**

Note 1 General information

Scotiabank Chile (hereinafter the "Bank") is the Parent of a group of entities, constituted in Chile as a closely-held corporation. It original incorporation was authorized via Supreme Decree issued by the Ministry of Finance No. 1389 dated March 29, 1944. The Bank is primarily involved in the brokerage of money and financial instrument such as personal property, commercial paper or any other credit instrument.

The current ownership structure is composed of Nova Scotia Inversiones Limitada (99.80%) and non-controlling interests (0.20%). Nova Scotia Inversiones Limitada is the Bank's exclusive controlling shareholder.

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

Note 2 Significant accounting policies

(a) Basis of preparation

The Consolidated Financial Statements, which comprise the Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Cash Flows, and Consolidated Statements of Changes in Equity of the Bank and its subsidiaries, have been prepared in accordance with accounting criteria issued by the Comision para el Mercado Financiero (hereinafter, the “CMF”), and in everything that is not dealt with by it or in contravention of its instructions, banks must adhere to generally accepted accounting principles, which correspond to the technical standards issued by the Colegio de Contadores de Chile A.G., coinciding with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Banking CMF GAAP differs from IFRS.

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

(b) Basis of consolidation

The Bank’s consolidated financial statements have been consolidated with those of its subsidiaries in accordance with International Financial Reporting Standard IFRS10 "Consolidated Financial Statements." These comprise the preparation of the separate financial statements of the Bank and the companies included in the consolidation, and include the adjustments and reclassifications required for the consistent application of the accounting policies and measurement criteria applied by the Bank.

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

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

- Consolidated statements of financial position as at December 31, 2024 and 2023
- Consolidated Statements of Income, Statements of Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the twelve-month period between January 1 and December 31, 2024 and for the twelve-month period between January 1 and December 31, 2023.

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 Consolidated Financial Statements are detailed as follows:

Company	Direct December 2024 %	Indirect December 2024 %	Direct December 2023 %	Indirect December 2023 %
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	-
Scotia Operadora de Tarjetas S.A.	99.90	0.10	99.90	0.10

ii) Non-controlling interests

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

iii) Loss of control

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

(c) Basis of measurement

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

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

(d) Functional and presentation currency

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

(e) Foreign currency transactions

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

Assets and liabilities in foreign currency US dollar are recognized at their equivalent amount in Chilean pesos, calculated at the accounting representation exchange rate of Ch$994.74 per US$1 as at December 31, 2024 (Ch$873.93 as at December 31, 2023).

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

The loss of MCh$220,036 as at December 31, 2024, related to "Foreign currency translation differences, indexation and accounting hedge of foreign currencies" (loss of MCh$89,832 as at December 31, 2023), shown in the Consolidated Statements of Income, includes the recognition of the effects of exchange rate fluctuations on assets and liabilities denominated in foreign currency or adjusted for foreign exchange rates, and the net gain or loss from derivatives in accounting hedges for foreign currency risk of the Bank and its subsidiaries.

(f) Business segments

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

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

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

(g) Transactions with related parties

Disclosures on significant related parties are detailed in Note 43, in accordance with IAS24 "Related Party Disclosures" indicating the relationship with each related party involved, as well as the transaction description and related balances. All of this is performed for an adequate understanding of the potential effects of such relation on the Consolidated Financial Statements.

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

(h) Consolidated Statements of Changes in Equity

The Statements of Changes in Equity included in these Consolidated Financial Statements include movements in Equity occurred between January 1 and December 31, 2024 and 2023.

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

(i) Consolidated Statements of Other Comprehensive Income

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

Accordingly, this statement includes:

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

(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, based on:

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

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

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

3. Derecognition

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

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

4. Offsetting

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

5. Measurement at amortized cost

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

6. Fair value measurement

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

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

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

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

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

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

7. Identification and measurement of impairment

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

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

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

For financial assets at fair value through other comprehensive income, debt financial instruments at amortized cost and Rights under resale agreements and securities lending agreements, impairment determined by a model of expected credit losses according to IFRS 9.

This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

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

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

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

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

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

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

(k) Cash and deposits in banks

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

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

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

i) Cash flow

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

ii) Operating activities

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

iii) Investing activities

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

iv) Financing activities

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

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

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

These securities are measured at their fair value in accordance with market prices at the reporting date. Gains or losses resulting from their adjustment to fair value, as well as gains and losses from trading activities are included within the caption “Net financial result” in the Consolidated Statements of Income.

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

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

a) the financial asset is held within a business model the purpose of which is achieved by obtaining contractual cash flows and disposing of financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their characteristics and risk are not closely related to those of the host contract and not measured at fair value with the related unrealized gains or losses included in profit or loss. As at December 31, 2024 and 2023, the Bank records no separable embedded derivatives.

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

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

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 (see Note 12.d.2); and
- the hedge is highly effective in relation to the hedged risk, on a continuous basis throughout the entire hedging relationship.

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

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

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

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

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

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

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

(o) 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) Financial debt securities

Financial debt securities include the balances of debt instruments of Government and Banco Central de Chile and Other financial debt securities issued in Chile and abroad.

iii) Loans and advances to banks

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

iv) Loans and accounts receivable from 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, factoring operations and accounts receivable resulting from operations inherent to the banking business.

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

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

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

For finance leases when the Bank acts as a lessee, it recognizes the cost of leased assets in the Consolidated Statements of Financial Position, according to the nature of the leased asset, and simultaneously, the sum of the present value of minimum lease payments it will make plus the purchase option, are recorded as a financial liability. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liabilities. The finance expense is allocated to each year 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.

v) 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 provisions 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 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.

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

a) the Bank reaches the conclusion that there is no likelihood of recovery of rentals and that the value of the asset cannot be considered for contract recovery purposes, whether because it is no longer in the possession of the lessor, due to its condition, as a result of expenses involved in its recovery, transfer and maintenance for technological obsolescence or because there is no information about its current location and condition.

b) upon completion of the prescription period for the collection procedures or at the moment of the rejection or abandonment of the execution of the contract through legal judgment.

c) when the period in which a contract has been maintained in delinquency reaches the term indicated below.

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

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

vi) 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, unless the Bank may clearly demonstrate there is no such influence. These investments are measured through the equity method of accounting.

In accordance with the equity method, investments are initially recorded at cost, and then increased or decreased in order to reflect the Bank's proportional equity in the profit or loss of the investee and other changes recognized in its equity. Goodwill arising from the acquisition of a company is included in the carrying amount of the investment netted against any accumulated impairment loss.

ii) Joint ventures

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

iii) Shares or interests in other companies

Entities which are not significantly controlled or influenced by the Bank are recorded in this line item. It includes the minority permanent investments in domestic or foreign companies, recorded at their acquisition cost and subsequently at fair value through Other Comprehensive Income and recording the related impairment adjustments, where applicable.

(q) Intangible assets

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

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

i) Software or computer software

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

The subsequent expense in program assets is capitalized solely when the economic benefits in the specific asset to which they relate increase. All other expenses are recorded as expenditures as incurred.

Amortization is recognized in profit or loss under "Depreciation and amortization" in the 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. Estimated useful lives of computer programs have been set from 5 to 10 years.

ii) Other identifiable intangible assets

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

iii) Intangible assets from business combinations

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

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

(r) Property and equipment

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

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

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

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

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

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

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

i) Right-of-use assets under lease contracts

The Bank and its subsidiaries have lease contracts related to certain assets to meet the normal performance of its operating activities. When in such contract, it acts as lessee, the Bank should recognize in its Consolidated Financial Statements a right-of-use asset, representing the right to use the underlying asset specified in the lease contract.

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

- short-term leases (less than 12 months); and
- leases for which the underlying asset is of low value.

If the Bank or its subsidiaries elect not to recognize a right-of-use asset or lease liabilities, they shall recognize the lease payments associated with those leases as an expense in the Consolidated Statements of Income for the year 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 liability's 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.

(t) Current tax and deferred taxes

The determination of income tax expense is performed in accordance with IAS12 "Income Taxes" and the Income Tax Law. Income tax expense comprises current tax and deferred taxes.

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

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

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

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

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

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

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

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

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

- it must be available in its current conditions for immediate sale and its sale must be highly probable.
- for the sale to be highly probable, an appropriate management level must be committed with a plan to sell an asset (or a disposal group), and a program to find a buyer must have started and operate actively.
- Likewise, the sale must be expected to meet the conditions for recognition as a sale completed within one year from the date of classification.

Impairment losses in the initial classification as non-current assets held for sale and subsequent losses are recognized in profit or loss in the caption "Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations."

ii) Assets received in lieu of payment or awarded

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

Subsequently, such assets are measured at the lower of the initial carrying amount or net realizable value, which corresponds to its fair value (liquidity value determined through an independent appraisal) less the related costs to sell. Differences between both amounts are recognized as "Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations." in the Consolidated Statements of Income. Assets received in lieu of payment or awarded in a legal auction are classified in the caption "Non-current assets and disposal groups held for sale" and are presented net of provisions.

In general, the Bank believes assets received in lieu of payment or awarded in legal auction will be sold within one year from their date of award. Assets not sold during such term are written-off as per the instructions issued by the CMF. This is subject to possible transitional provisions issued by the regulator that establish new terms on this matter.

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

This item mainly comprises financial derivative contracts with negative valuation and which are not part of a specific accounting hedging relationship. They are measured at fair value and the gains or losses are recorded in "Financial result 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

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

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

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

In subsequent recognition, perpetual bonds shall be measured at amortized cost using the effective interest rate method. Preferred shares shall be measured at their initial fair value, less any remaining balance of transaction costs that have not been expensed. Additionally, the effects of any potential modification of the issuance conditions and/or the amount paid for a partial capital redemption after 5 years from issuance must be considered, with the differences between the carrying amount and the payment made being recorded in the Consolidated Statement of Income.

(y) Provisions and contingent liabilities

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

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

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

Provisions, which are calculated considering the best information available on the consequences of the event that gave rise to them are re-estimated on each closing date, are used to comply with specific obligations for which they were originally recognized. These are reversed when such obligations decrease or cease to exist.

Provisions are classified according to the following obligations covered:

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

(z) Provisions for minimum dividends

In Article 79 in Chile's Law of Public Companies it is established that, unless different from the adopted in the meeting and by the issued shares unanimously, public companies will have to distribute annually as dividend in cash to its shareholders, proportionally of its shares or the proportion established by the by-laws at least the 30% of liquid gains of each year, except when accumulated losses coming from previous year are to be absorbed.

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

(aa) 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 provision for credit risk, the Bank uses models or methodologies based on the individual and collective analyses of debtors to make provisions for loans and receivables from customers, which are defined below.

Allowances for loans by individual assessment

The individual analysis of debtors is applied to customers, natural persons or legal entities which, due to their size, complexity or exposure level, must be known comprehensively, requiring the assignment of a credit rating for each debtor.

All the customers of the Corporate, Real Estate, Large Companies or Wholesale segments will be considered to be business portfolio assessed individually. It will also consider the debtors with operations different to those mentioned above recording annual sales higher than or equal to MCh$1,000 or business debt obligations higher than or equal to MCh$500. In addition, all customers who are part of a business group, record commercial loans and whose total indebtedness, excluding mortgage loans, reaches an amount equal to or higher than UF20,000, will be included as individual customers. Finally, all the debtors that have recorded in their loans cross-border transactions will be included as individual customers.

To make the allowances, the Bank classifies its debtors and transactions related to loans and contingent loans in the related categories, with the prior allocation to one of the following three portfolio categories: Normal, substandard and in default as established in the Compendium of Accounting Standards for Banks (CNC) issued by the CMF. Based on the debtor rating, the Bank assigns probability of default and loss on default percentages, which result in the expected loss percentage:

Type of Portfolio	Debtor category	Probability of default (%)	Loss given default (%)	Expected loss (%)
Normal portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

Type of Portfolio	Risk grade	Range of expected loss	Allowance (%)
In default	C1	Up to 3%	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30% up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

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

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

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

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

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

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

Allowances for loans associated with collective assessment

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

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

The Bank uses a model for commercial exposures under MCh$500 to determine an allowance based on the concept of expected loss of a loan.

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

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

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

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

Notwithstanding the foregoing, for purposes of making allowances, the Bank should recognize minimum allowances in accordance with the standard method established by the CMF. The use of this minimum prudential basis for allowances in no case exempts the Bank from its responsibility for having its own methodologies to determine allowances that are sufficient to safeguard the credit risk of each of its portfolios, and it must therefore have both methods available.

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

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

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

EL = PD * LGD * Exposure

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

The expected loss of the Chilean Government is applied to the guaranteed percentage of the FOGAPE, FOGAIN and CORFO reprogramming loan operations and other types of guarantees are also used, such as reciprocal guarantee companies (RGC) or for school infrastructure.

Depending on the age of a customer, the customer's PD can be estimated by a model for new customers or a model for behavior or old customers. The new customer models collect demographic and financial behavior features of the customer, while the behavior models seek information on the internal behavior of the Bank or its subsidiary, depending on the model, and of the financial institutions. In other words, new customer models look for customer features and behavior models focus on the customer's internal credit behavior. To determine the PD and the LGD, we seek to group customers with similar features, which allows us to determine that the groups are homogeneous within them and heterogeneous among them.

Special allowances for credit losses

Additional provisions for loans

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

Additional allowances are followed-up on a bimonthly basis to assess maintaining or amending the volume of allowances made.

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, a provision for potential losses is accrued and recorded within 'Expense for credit losses' 'Expense for special allowances for credit losses' in the Consolidated Statements of Income.

To estimate allowances for contingent loans as indicated in Chapter B-1 and Chapter B-3 of the Compendium of Accounting Standards 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 Compendium of Accounting Standards 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 Consolidated Statements of Financial Position.

(ac) Use of judgments and estimates

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

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

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

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

(ad) Interest and indexation income and expenses

Interest income and expenses are recognized in the Consolidated Statements of Income on an accrual basis, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, in a shorter period) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs, premiums, discounts, as well as all fees and commissions and other concepts paid or received that are directly attributable to the acquisition or issue of a financial asset or liability.

Adjustments mainly relate to the indexation associated with changes in the value of Unidad de Fomento (UF), which was Ch$38,416.69 as at December 31, 2024 (Ch$36,789.36 as at December 31, 2023).

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

(ae) Fee and commission income and expenses

Financial fees and commissions and transaction costs directly associated with the generation of certain financial assets and liabilities, are a part of the initial valuation of such financial assets and liabilities for the determination of the effective interest rate.

Fee and commission income and expenses not related to the generation of financial assets and liabilities are recognized on an accrual basis.

In general, unearned income and prepayments related to commissions for future services to be provided or received are transferred on a straight-line basis to profit or loss over the period that contractually covers those payments and collections.

Fee and commission income and expenses are recognized as the related services are provided.

(af) Expenses for employee benefit obligations

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.

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

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

The effect of the provisions for such benefits are recognized in the caption “Provisions for contingencies” in the Consolidated 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.

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

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

(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 that year.

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

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

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

Exempt Resolution No.368 dated January 8, 2024: The CMF released General Standard No.501, which establishes the minimum information to be included in the policies for regular transactions and regulates the public disclosure of transactions with related parties performed. The topics contained in these regulations became effective beginning on September 1, 2024.

Circular No.2346, March 6, 2024: This Circular amends Chapters B-1 and E of the Compendium of Accounting Standards for Banks (CNC) including a standardized methodology for calculating allowances for consumption loans, based on the identification of risk factors in the probability of default and loss given default parameters related to delinquency in prior months both in the Bank and in the system, and that the customer holds a mortgage loan. These new regulations will become effective beginning in the new accounting close of January 2025. Through such date, the Bank will continue to estimate the allowances of this portfolio solely through their internal methodologies.

Based on the information available at the date of issuance of the Consolidated Financial Statements, the application exercise of the new methodology for estimating allowances (standard method), results in an impact of MCh$172,104 at consolidated level. To cope with this impact, the Bank is assessing the use of additional allowances prepared for these purposes, among other actions.

ii) New pronouncements introduced by the IASB

Current accounting pronouncements

The following amended accounting pronouncements are mandatory for years beginning on January 1, 2024:

Amendments to IFRS (New IFRS)	Mandatory application date
Classification of Liabilities as Current or NonCurrent (Amendments to IAS1)	Annual periods beginning on or after January 1, 2024. Early adoption is permitted
Lease Liability in a Sale and Leaseback (Amendments to IFRS16)	Annual periods beginning on or after January 1, 2024. Early adoption is permitted
Non-current Liabilities with Covenants (Amendments to IAS1)	Annual periods beginning on or after January 1, 2024.
Supplier Finance Arrangements (Amendments to IFRS7 and IAS7)	Annual periods beginning on or after January 1, 2024.

Classification of Liabilities as Current or Non-current (Amendments to IAS1)

The IASB amended IAS1 "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 IAS1 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 IAS32 "Financial Instruments: Presentation."

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2024. Early adoption is permitted. However, companies will consider including disclosures in conformity with IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors" in their next annual financial statements.

The Bank's Management assessed the impact of adopting this Standard and concluded that there are no impacts on its Consolidated Financial Statements as the Financial Statements are prepared and presented under the accounting instructions issued by the CMF, which do not include the classification of balances as current and non-current.

Lease Liability in a Sale and Leaseback (Amendments to IFRS16)

In September 2022, the Board issued amendments to IFRS16 "Leases – Lease liability on a Sale and Leaseback", which sets out the requirements for how an entity should account for a sale and leaseback after the date of the transaction.

While IFRS16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, the standard does not specify how the subsequent measurement of this transaction would be. The amendments issued by the Board are additional to the requirements established in IFRS16 for leaseback sales, which support the consistent application of the standard.

The Bank's Management assessed the impact of adopting this Standard and determined there are no effects on its Consolidated Financial Statements because through the present date, we do not have these types of transactions.

Non-current Liabilities with Covenants (Amendments to IAS1)

The International Accounting Standards Board issued in October 2022 the amendment to IAS1 Presentation of Financial Statements, in which it indicates that only covenants that a company must meet on or before the reporting date affect the classification of a liability as current or non-current.

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

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

Supplier Finance Arrangements (Amendments to IAS7 and IFRS7)

In May 2023, the International Accounting Standards Board issued amendments to IAS7 Statement of Cash Flows and IFRS7 Financial Instruments: Disclosures, which establish additional disclosure requirements to be included in the notes related to Supplier Finance Arrangements, which will supplement the requirements currently established in IFRS Accounting Standards and will provide information that will allow the users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, as well as its exposure to liquidity risk.

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

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

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

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

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

Accounting pronouncements issued but not yet effective

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

Amendments to IFRS (New IFRS)	Mandatory application date
IFRS 18 Presentation and Disclosure of Financial Statements	Annual periods beginning on or after January 1, 2027. Early adoption permitted.
IFRS 19 Subsidiaries without public accountability: Information to be disclosed	Annual periods beginning on or after January 1, 2027. Early adoption permitted.
Amendments to IFRS	**Mandatory application date**
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.
Lack of convertibility (Amendment to IAS 21)	Annual periods beginning on or after January 1, 2025. Early adoption permitted.
Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7 - Post-implementation review)	Annual periods beginning on or after January 1, 2026. Early adoption permitted.

New IFRS issued

IFRS18 Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS18 "Presentation and Disclosure in Financial Statements", which supersedes IAS1 "Presentation of Financial Statements."

Main changes in the new standard compared to the previous requirements in IAS1 include:

- Introducing new categories and subtotals defined in the statement of income with the purpose of obtaining additional significant information and provide a structure for the statement of income that is more comparable between entities. In particular:
  - Income and expense items are required to be classified in the following categories in the statement of income:
    - Operating
    - Investing
    - Financing
    - Income taxes
    - Discontinued operations

    The classification is different in certain cases for entities which, as main line of business, provide financing to customers or make investments in assets

  - Entities must present the following new subtotals:
    - Operating profit or loss
    - Profit (loss) before financing and income tax

    These subtotals structure the statement of income in categories without the need to present headings of categories.
  - The above categories should be presented unless doing so would reduce the effectiveness of the statement of income in providing a useful structured summary of the entity's income and expenses.

- The introduction of requirements to improve aggregation and disaggregation that aim to obtain additional significant information and ensure that material information is not hidden. In particular:

  - IFRS18 provides guidance on whether the information should be in the primary financial statements (the function of which is to provide a useful structured summary) or in the notes.

  - Entities should identify assets, liabilities, equity and income and expenses arising from individual transactions or other events, and classify them into groups based on shared characteristics, resulting in items in the primary financial statements that share at least one characteristic. These groups are then separated based on other different characteristics, resulting in separate disclosure of material items in the notes. It may be necessary to aggregate immaterial items with different characteristics to avoid obscuring relevant information. Entities should use a descriptive label or, if that is not possible, provide information in the notes on the detail of such aggregated items.

  - Stricter guidelines are introduced as to whether the analysis of operating expenses is by nature or by function. The presentation should be made in a manner that provides the most useful structured summary of operating expenses considering several factors. The presentation of one or more operating expense items classified by function requires disclosure of amounts for five specific types of expenses, such as raw materials, employee benefits, depreciation and amortization.

- The introduction of disclosures on Management Performance Measures (MPM) in the notes to the financial statements aiming at transparency and discipline in the use of such measures and disclosures in one place. In particular:

  - MPMs are defined as subtotals of revenues and expenses that are used in public communications with financial statement users and are outside the financial statements, supplement the totals or subtotals included in IFRS and communicate management's view of an aspect of an entity's financial performance.

  - The accompanying disclosures are required to be provided in a single note that includes:

    - A description of why the MPM provides management's view of performance.
    - A description of how the MPM has been calculated
    - A description of how the measure provides useful information about an entity's financial performance
    - A reconciliation of the MPM to the most directly comparable subtotal or total specified by IFRS Accounting Standards
    - A statement that the MPM provides management's view of an aspect of the entity's financial performance
    - The effect of taxes and non-controlling interests separately for each of the differences between the MPM and the most directly comparable subtotal or total specified by IFRS Accounting Standards.
    - For a change in how the MPM is calculated, an explanation of the rationale for and the impact of the change

Specific improvements to IAS7 aim to improve comparability between entities. Changes include:

- Using operating profit subtotal as the single starting point for the indirect method of reporting cash flows from operating activities; and
- Eliminating the option of presenting interest and dividends as cash flows from operating activities.

IFRS18 is effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. An entity is required to apply the amendments retrospectively, in accordance with IAS8 Accounting Policies, Changes in Accounting Estimates and Errors, with specific transition provisions.

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

IFRS19 Subsidiaries without Public Accountability: Disclosures

On May 9, 2024, the IASB issued IFRS19 "Subsidiaries without Public Accountability: Disclosures."

IFRS19 specifies the minimum disclosure requirements that an entity may apply instead of the extensive disclosure requirements required by other IFRSs.

An entity may apply this standard only when it is a subsidiary without public accountability and its ultimate or intermediate parent prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards (eligible entity).

A subsidiary is required to be publicly accountable if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (e.g., banks, credit unions, insurance companies, securities brokers/dealers, mutual funds, and investment banks often meet this second criterion).

Eligible entities may, but are not required to, apply IFRS19 in their consolidated, separate or stand-alone financial statements.

An entity should consider whether to provide additional disclosures when compliance with the specific requirements of the standard is insufficient to enable users of the financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

IFRS19 is effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. If an entity elects to early adopt the standard it should disclose that fact. If an entity applies it in the current reporting period but not in the immediately previous period, it should provide comparative information (i.e., prior period information) for all amounts reported in the current period's financial statements, unless otherwise permitted or required by this standard or another IFRS.

An entity that opts to apply this standard for a reporting period before the reporting period in which it first applies IFRS18 shall apply the disclosure requirements set out in Appendix B of IFRS19.
If an entity applies the standard for an annual reporting period beginning before January 1, 2025 and has not applied the Amendments to IAS21 “Lack of Exchangeability”, it is not required to make the disclosures in IFRS19 related to those amendments.

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

Amendments to IFRS

Sale or Contribution of Assets Between and Investor and its Associate or Joint Venture (Amendments to IFRS10 and IAS28)

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 IFRS3 "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.

Lack of Exchangeability (Amendment to IAS21)

On August 15, 2023, the IASB issued the amendment to IAS21 — The Effects of Changes in Foreign Exchange Rates, "Lack of Exchangeability" to respond to commentary from stakeholders and concerns on the diversity in practice when accounting for the lack of exchangeability between currencies. These amendments establish criteria that will allow companies to assess whether a currency is exchangeable into another currency and when it is not, so that they can determine the exchange rate to be used and the disclosures to be provided, in the event that the currency is not exchangeable.

The amendments establish that a currency is exchangeable into another currency at a measurement date when an entity can exchange that currency into another currency within a timeframe that includes a normal administrative delay and through a market or exchange mechanism in which the exchange transaction would create enforceable rights and obligations. If an entity can only obtain an insignificant amount of the other currency at the measurement date for the specified purpose, such currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's purpose when estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under economic conditions prevailing. The amendments do not specify how an entity estimates the spot exchange rate to meet such objective. An entity may use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- A spot exchange rate for a purpose other than that for which an entity assesses exchangeability.
- The first exchange rate at which an entity can obtain the other currency for the specified purpose after currency exchangeability is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate (including rates of exchange transactions in foreign exchange markets or mechanisms that do not create enforceable rights and obligations) and adjust that exchange rate, as required, to meet the objective established previously.

An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted. If an entity applies the amendments for an earlier period, it is required to disclose that fact.

The Bank's Management assessed the impact of the adoption of this Standard and determined there are no effects on its Consolidated Financial Statements as the Bank uses the accounting representation exchange rate as instructed in the CNC for Banks issued by the CMF.

Classification and Measurement of Financial Instruments (Amendments to IFRS9 and IFRS7 – Post-implementation Review)

On May 30, 2024, the IASB has issued this amendment to address issues identified during the post-implementation review of the classification and measurement requirements of IFRS9 “Financial Instruments” and the disclosure requirements in IFRS7 "Financial Instruments: Disclosures."

The IASB issued amendments to IFRS9 that address the following topics:

- Derecognition of a financial liability settled through electronic transfer
- Classification of financial assets: contractual terms that are consistent with a basic lending agreement
- Classification of financial assets: assets with non-recourse features
- Classification of financial assets: contractually linked instruments

The IASB also issued the following amendments to IFRS7:

- Disclosures: investments in equity instruments designated at fair value through other comprehensive income.
- Disclosures: contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event.

The need for these amendments was identified as a result of the IASB's post-implementation review of the classification and measurement requirements of IFRS9.

Amendments are effective for annual periods beginning on January 1, 2026. Early adoption is permitted. An entity is required to apply the amendments retrospectively, in accordance with IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors" in its following annual financial statements unless otherwise specified. An entity is not required to restate prior periods.

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

Note 4 Changes in accounting policies

During the twelve-month year ended December 31, 2024, there have been no significant changes in accounting policies that affect the interpretation of these Consolidated Financial Statements.

Note 5 Significant events

On March 28, 2024, in conformity 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 Company communicates as essential information that on such date the shareholders at the Ordinary Shareholders' Meeting of Scotiabank Chile (the "Bank") agreed, among other matters, to distribute 30% of the profit obtained during 2023; i.e., MCh$122,388, equivalent to a dividend of Ch$9.99505 per share and destine the remaining balance to the reserve fund for undistributed profits.

Issuance of bonds with no fixed maturity date
On November 26, 2024, bonds with no fixed maturity period were privately issued in the international market (hereinafter, the “AT1 Bonds”). The AT1 Bonds were acquired by an entity of The Bank of Nova Scotia, the Parent of Scotiabank Chile.

The issue amounts to USD 700,000,000, at an annual interest rate of 6.94%, with a spread of 275 basis points over the rate of the 5-year Treasury Department bonds of the United States of America. Interest will be paid semi-annually on June 4 and December 4 of each year, beginning on June 4, 2025.

Note 6 Business Segments

Scotiabank Chile is a universal bank offering a great variety of products and financial services to various kinds of customers, ranging from major corporations and financial institutions to low/medium income individuals, which are classified in different segments referred to their business characteristics.

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

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

Information included in this note is not necessarily comparable to that of other financial institutions as it is based on the internal system of management information according to the segments set up independently by the Bank. Each business segment reflects its gross operating income, supporting expenses and net provisions for risk along with their related assets and liabilities. Taxes are managed at the corporate level and are not allocated by business segment.

As the Bank's business is based in Chile, it is not relevant to present information for Geographical Segments.

The following are the business segments established by the Bank:

1. Retail

Personal Banking: This segment addresses individual customers whose income is over US$500. 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.

5. Other

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

The following table shows the consolidated income of Scotiabank Chile, for each of the abovementioned segments:

	As at December 31, 2024					
	Retail MCh$	Wholesale MCh$	CAT MCh$	Treasury MCh$	Other MCh$	Total MCh$
Net interest income	584,247	346,223	324,896	(348,597)	229	906,998
Other income	142,205	192,234	77,387	329,166	14,191	755,183
Equity in net income of investees	-	-	-	-	4,592	4,592
Total operating income	**726,452**	**538,457**	**402,283**	**(19,431)**	**19,012**	**1,666,773**
Operating expenses	(329,974)	(134,956)	(128,470)	(7,700)	(4,504)	(605,604)
Depreciation and amortization	(45,771)	(10,372)	(15,759)	(263)	(551)	(72,716)
Credit losses expense	(172,021)	(66,269)	(202,562)	-	4,268	(436,584)
Segment operating profit (loss)	**178,686**	**326,860**	**55,492**	**(27,394)**	**18,225**	**551,869**
Income tax expense	(36,220)	(76,805)	(12,409)	7,396	23,492	(94,546)
Profit (loss) for the period	**142,466**	**250,055**	**43,083**	**(19,998)**	**41,717**	**457,323**
Spot Volumes						
Assets (loans)	18,982,914	11,155,792	1,785,128	-	31,374	**31,955,208**
Liabilities (Core and Term deposits)	6,943,352	5,877,879	-	5,915,350	-	**18,736,581**

	As at December 31, 2023					
	Retail MCh$	Wholesale MCh$	CAT MCh$	Treasury MCh$	Other MCh$	Total MCh$
Net interest income	544,254	328,856	278,882	(301,536)	505	850,961
Other income	125,847	228,251	78,191	271,378	17,235	720,902
Equity in net income of investees	-	-	-	-	6,362	6,362
Total operating income	**670,101**	**557,107**	**357,073**	**(30,158)**	**24,102**	**1,578,225**
Operating expenses	(314,819)	(123,884)	(126,937)	(4,150)	(28,418)	(598,208)
Depreciation and amortization	(36,262)	(10,800)	(12,037)	(4,816)	(2,999)	(66,914)
Credit losses expense	(166,494)	(45,145)	(212,117)	-	1,830	(421,926)
Segment operating profit (loss)	**152,526**	**377,278**	**5,982**	**(39,124)**	**(5,485)**	**491,177**
Income tax expense	(31,436)	(91,379)	(234)	10,563	37,874	(74,612)
Profit (loss) for the period	**148,611**	**347,651**	**17,574**	**(17,004)**	**(80,267)**	**416,565**
Spot Volumes						
Assets (loans)	18,779,636	10,922,488	1,662,373	-	35,310	**31,399,807**
Liabilities (Core and Term deposits)	6,925,452	5,467,748	-	5,638,864	-	**18,032,064**

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.

Note 7 Cash and cash equivalents

The detail of cash and cash equivalents is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Cash and deposits in banks		
Cash	187,433	160,130
Deposits in Banco Central de Chile (i)	488,397	670,316
Deposits in foreign Central Banks	-	-
Deposits in domestic Banks	26,134	12,316
Deposits in foreign Banks	164,511	367,122
Subtotal - Cash and deposits in Banks	**866,475**	**1,209,884**
Net trading operations pending settlement (ii)	149,692	55,769
Other cash equivalents (iii)	317,223	274,207
Total cash and cash equivalents	**1,333,390**	**1,539,860**

(i) The level of funds in cash and in Banco Central de Chile corresponds to reserve regulations that the Bank has to keep as an average in monthly periods.

(ii) Trading operations pending settlement correspond to transactions that have been traded but yet are pending settlement which will increase or decrease the funds maintained in the Banco Central de Chile or in banks in foreign countries, normally within a period ranging between 12 and 24 working hours, and are detailed as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Assets		
Notes in charge of other banks (exchange)	33,450	33,243
Transfer of funds pending receipt	571,520	355,898
Subtotal assets	**604,970**	**389,141**
Liabilities		
Transfer of funds pending delivery	(455,278)	(333,372)
Subtotal liabilities	**(455,278)**	**(333,372)**
Net trading operations pending settlement	**149,692**	**55,769**

(iii) Refers to financial instruments that meet the criteria to be considered as “cash equivalents” as defined by IAS7, i.e., to qualify as "cash equivalents" investments in financial debt 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.

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

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

	12/31/2024 MCh$	12/31/2023 MCh$
Derivative instruments		
Forwards	778,990	780,562
Swaps	5,373,875	4,913,421
Call options	500	298
Put options	81	43
Forwards	-	-
Other	-	-
Financial debt securities		
Government and Banco Central de Chile	363,641	34,446
Other debt financial instruments issued in Chile	242,399	147,934
Debt financial instruments issued abroad	12,843	11,440
Other debt financial instruments		
Investments in mutual funds	12,640	48,839
Equity instruments	10,238	7,358
Loans originated and acquired by the entity	-	-
Other	-	-
Total	**6,795,207**	**5,944,341**

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

As at December 31, 2024	Notional amounts of contracts with final maturity (1)							Fair Value
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Forward								
Future arbitration	-	593,553	646,348	704,500	142,469	14,255	-	58,750
Paper forward	-	9,727	-	-	-	-	-	59
Exchange insurance	-	10,155,654	5,031,902	6,034,788	1,624,108	418,138	682,948	565,541
Inflation insurance	-	1,613,177	2,473,006	6,582,022	8,549,597	2,524,091	2,775,524	154,640
Subtotal forward	**-**	**12,372,111**	**8,151,256**	**13,321,310**	**10,316,174**	**2,956,484**	**3,458,472**	**778,990**
Options								
Call option	-	4,469	3,808	-	-	-	-	500
Put Option	-	790	1,801	5,487	-	-	-	81
Subtotal options	**-**	**5,259**	**5,609**	**5,487**	**-**	**-**	**-**	**581**
Swap								
Cross currency swap	-	1,011,892	2,336,011	5,735,658	13,065,968	8,802,782	11,831,254	3,638,953
Rate Swap	40,600	15,185,698	15,493,379	30,978,608	33,979,359	20,453,453	23,854,832	1,734,922
Subtotal swap	**40,600**	**16,197,590**	**17,829,390**	**36,714,266**	**47,045,327**	**29,256,235**	**35,686,086**	**5,373,875**
Total	**40,600**	**28,574,960**	**25,986,255**	**50,041,063**	**57,361,501**	**32,212,719**	**39,144,558**	**6,153,446**

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

As at December 31, 2023	Notional amounts of contracts with final maturity (1)							Fair Value
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Forward								
Future arbitration	-	469,274	684,558	498,664	229,805	17,530	-	29,937
Paper forward	-	-	-	-	-	-	-	-
Exchange insurance	-	12,664,619	7,165,032	6,463,092	1,719,169	508,657	832,142	540,366
Inflation insurance	-	1,215,589	1,660,201	3,254,867	3,298,199	1,440,015	3,972,265	210,259
Subtotal forward	**-**	**14,349,482**	**9,509,791**	**10,216,623**	**5,247,173**	**1,966,202**	**4,804,407**	**780,562**
Options								
Call option	-	1,098	7,952	9,044	-	-	-	298
Put Option	-	1,092	-	-	-	-	-	43
Subtotal options	**-**	**2,190**	**7,952**	**9,044**	**-**	**-**	**-**	**341**
Swap								
Cross currency swap	-	1,120,657	2,098,402	6,479,584	14,643,182	8,215,231	13,510,074	3,058,845
Rate Swap	-	4,782,210	10,090,550	32,661,452	21,343,124	11,915,337	17,034,500	1,854,576
Subtotal swap	**-**	**5,902,867**	**12,188,952**	**39,141,036**	**35,986,306**	**20,130,568**	**30,544,574**	**4,913,421**
Total	**-**	**20,254,539**	**21,706,695**	**49,366,703**	**41,233,479**	**22,096,770**	**35,348,981**	**5,694,324**

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

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

As at December 31, 2024	Notional amount of contracts with final maturity (1)							
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Fair Value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	36,112	-	-	-	-	-	36,111
Bonds or promissory notes issued by the Treasury	-	-	1,742	-	27,897	22,871	280,129	327,530
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile	**-**	**36,112**	**1,742**	**-**	**27,897**	**22,871**	**280,129**	**363,641**
Debt financial instruments issued by other domestic banks	-	20	9,600	159,961	45,000	1,000	35,857	240,432
Domestic corporate bonds and commercial paper	-	-	-	-	5,226	922	-	1,967
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	**-**	**20**	**9,600**	**159,961**	**50,226**	**1,922**	**35,857**	**242,399**
Debt financial instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	-	6,963	-	5,968	12,843
Debt financial instruments of other foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	**-**	**-**	**-**	**-**	**6,963**	**-**	**5,968**	**12,843**
Other financial instruments								
Investments in mutual funds	9,308	3,332	-	-	-	-	-	12,640
Equity instruments	10,238	-	-	-	-	-	-	10,238
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	**19,546**	**3,332**	**-**	**-**	**-**	**-**	**-**	**22,878**
Total	**19,546**	**39,464**	**11,342**	**159,961**	**85,086**	**24,793**	**321,954**	**641,761**

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Fair Value MCh$
	Notional amount of contracts with final maturity (1)							
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	1,999	-	19,534	-	-	-	21,533
Bonds or promissory notes issued by the Treasury	-	195	350	230	5,998	3,801	2,567	12,913
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile:	**-**	**2,194**	**350**	**19,764**	**5,998**	**3,801**	**2,567**	**34,446**
Debt financial instruments issued by other domestic banks	-	-	1,973	124,823	9,065	5,081	3,031	143,972
Domestic corporate bonds and commercial paper	-	-	-	-	1,915	883	1,435	3,962
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	**-**	**-**	**1,973**	**124,823**	**10,980**	**5,964**	**4,466**	**147,934**
Debt financial instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	2,622	-	-	8,739	11,440
Debt financial instruments of other foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	**-**	**-**	**-**	**2,622**	**-**	**-**	**8,739**	**11,440**
Other financial instruments								
Investments in mutual funds	38,588	10,251	-	-	-	-	-	48,839
Equity instruments	7,358	-	-	-	-	-	-	7,358
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	**45,946**	**10,251**	**-**	**-**	**-**	**-**	**-**	**56,197**
Total	**45,946**	**12,445**	**2,323**	**147,209**	**16,978**	**9,765**	**15,772**	**250,017**

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

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

As at December 31, 2024 and 2023, the Bank has no such operations.

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

As at December 31, 2024 and 2023, the Bank has no such operations.

Note 11 Financial assets at fair value through other comprehensive income

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

	12/31/2024 MCh$	12/31/2023 MCh$
Debt financial instruments	1,889,506	2,188,905
Other	-	-
Total	**1,889,506**	**2,188,905**

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

As at December 31, 2024	Notional amount of contracts with final maturity (1)							
	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$	Fair Value MCh$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	36,112	-	-	-	-	-	36,111
Bonds or promissory notes issued by the Treasury	-	-	1,742	-	27,897	22,871	280,129	327,530
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile	**-**	**36,112**	**1,742**	**-**	**27,897**	**22,871**	**280,129**	**363,641**
Debt financial instruments issued by other domestic banks	-	20	9,600	159,961	45,000	1,000	35,857	240,432
Domestic corporate bonds and commercial paper	-	-	-	-	5,226	922	-	1,967
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	**-**	**20**	**9,600**	**159,961**	**50,226**	**1,922**	**35,857**	**242,399**
Debt financial instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	-	6,963	-	5,968	12,843
Debt financial instruments of other foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	**-**	**-**	**-**	**-**	**6,963**	**-**	**5,968**	**12,843**
Other financial instruments								
Investments in mutual funds	9,308	3,332	-	-	-	-	-	12,640
Equity instruments	10,238	-	-	-	-	-	-	10,238
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	**19,546**	**3,332**	**-**	**-**	**-**	**-**	**-**	**22,878**
Total	**19,546**	**39,464**	**11,342**	**159,961**	**85,086**	**24,793**	**321,954**	**641,761**

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Fair Value MCh$
	Notional amount of contracts with final maturity (1)							
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	1,999	-	19,534	-	-	-	21,533
Bonds or promissory notes issued by the Treasury	-	195	350	230	5,998	3,801	2,567	12,913
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile	**-**	**2,194**	**350**	**19,764**	**5,998**	**3,801**	**2,567**	**34,446**
Debt financial instruments issued by other domestic banks	-	-	1,973	124,823	9,065	5,081	3,031	143,972
Domestic corporate bonds and commercial paper	-	-	-	-	1,915	883	1,435	3,962
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	**-**	**-**	**1,973**	**124,823**	**10,980**	**5,964**	**4,466**	**147,934**
Debt financial instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	2,622	-	-	8,739	11,440
Debt financial instruments of other foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	**-**	**-**	**-**	**2,622**	**-**	**-**	**8,739**	**11,440**
Other financial instruments								
Investments in mutual funds	38,588	10,251	-	-	-	-	-	48,839
Equity instruments	7,358	-	-	-	-	-	-	7,358
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	**45,946**	**10,251**	**-**	**-**	**-**	**-**	**-**	**56,197**
Total	**45,946**	**12,445**	**2,323**	**147,209**	**16,978**	**9,765**	**15,772**	**250,017**

As at December 31, 2024, the Financial assets at fair value through other comprehensive income portfolio includes a net unrealized loss of MCh$87,457 (MCh$110,969 as at December 31, 2023) recorded as valuation adjustments in equity and a net realized loss of MCh$1,179 (net gain of MCh$935 as at December 31, 2023) 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."

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

As at December 31, 2024	Stage 1		Stage 2		Stage 3		Total	
	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
As at January 1, 2024	2,188,905	(830)	-	-	-	-	2,188,905	(830)
Net changes (purchase/sale) for the period	(354,832)	109	-	-	-	-	(354,832)	109
Change in fair value	21,145	-	-	-	-	-	21,145	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact of transfers in Expected Credit Losses	-	-	-	-	-	-	-	-
Reductions due to discounts	(879)	-	-	-	-	-	(879)	-
Accrued interest	33,402	-	-	-	-	-	33,402	-
Remeasures of Expected Credit Losses at year-end	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	1,765	-	-	-	-	-	1,765	-
Balance as at December 31, 2024	**1,889,506**	**(721)**	**-**	**-**	**-**	**-**	**1,889,506**	**(721)**

As at December 31, 2023	Stage 1		Stage 2		Stage 3		Total	
	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
As at January 1, 2023	2,360,643	(919)	-	-	-	-	2,360,643	(919)
Net changes (purchase/sale) for the period	(263,236)	89	-	-	-	-	(263,236)	89
Change in fair value	53,479	-	-	-	-	-	53,479	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact of transfers in Expected Credit Losses	-	-	-	-	-	-	-	-
Reductions due to discounts	(219)	-	-	-	-	-	(219)	-
Accrued interest	31,487	-	-	-	-	-	31,487	-
Remeasures of Expected Credit Losses at year-end	-	-	-	-	-	-	-	-
Changes in assumptions	306	-	-	-	-	-	306	-
Exchange rate adjustments	6,445	-	-	-	-	-	6,445	-
Balance as at December 31, 2023	**2,188,905**	**(830)**	**-**	**-**	**-**	**-**	**2,188,905**	**(830)**

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

As at December 31, 2024	Amortized cost MCh$	Fair Value MCh$	Unrealized gains/(losses), gross MCh$
Government and Banco Central de Chile			
Debt financial instruments issued by Banco Central de Chile	-	-	-
Bonds and promissory notes issued by the Treasury	1,967,021	1,879,566	(87,455)
Other treasury debt financial instruments	9,942	9,940	(2)
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	**1,976,963**	**1,889,506**	**(87,457)**

As at December 31, 2023	Amortized cost MCh$	Fair Value MCh$	Unrealized gains/(losses), gross MCh$
Government and Banco Central de Chile			
Debt financial instruments issued by Banco Central de Chile	393,433	395,919	2,486
Bonds and promissory notes issued by the Treasury	1,895,604	1,782,154	(113,450)
Other treasury debt financial instruments	10,837	10,832	(5)
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	**2,299,874**	**2,188,905**	**(110,969)**

Note 12 Derivative instruments for accounting hedge

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

	12/31/2024 Asset (in favor) MCh$	12/31/2024 Liability (against) MCh$	12/31/2023 Asset (in favor) MCh$	12/31/2023 Liability (against) MCh$
Designated derivatives in fair value hedging relationships	71,280	(15,124)	90,533	(56,982)
Designated derivatives in cash flow hedging relationships	258,983	(1,538,946)	226,775	(1,398,674)
Total derivatives designated in hedging relationships	**330,263**	**(1,554,070)**	**317,308**	**(1,455,656)**

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

As at December 31, 2024	Notional amounts of contracts with final maturity							Carrying amount	
Product	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$	Assets MCh$	Liabilities MCh$
Fair value hedging derivatives									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	-	-	-	-	-	-
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	-	38,672	-	92,426	113,327	203,006	67,883	(13,283)
Rate Swap	-	-	439,865	-	100,000	151,000	163,630	3,397	(1,841)
Subtotal	**-**	**-**	**478,537**	**-**	**192,426**	**264,327**	**366,636**	**71,280**	**(15,124)**
Cash flow hedge derivative									
Future arbitration									
Inflation insurance	-	11,525	307,333	242,025	96,042	-	-	27	(3,467)
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	55,132	205,356	1,323,824	3,236,859	1,757,224	1,541,156	246,247	(1,524,510)
Rate Swap	-	-	-	-	100,000	801,838	364,109	12,709	(10,969)
Subtotal	**-**	**66,657**	**512,689**	**1,565,849**	**3,432,901**	**2,559,062**	**1,905,265**	**258,983**	**(1,538,946)**
Total	**-**	**66,657**	**991,226**	**1,565,849**	**3,625,327**	**2,823,389**	**2,271,901**	**330,263**	**(1,554,070)**

As at December 31, 2023	Notional amounts of contracts with final maturity							Carrying amount	
Product	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$	Assets MCh$	Liabilities MCh$
Fair value hedging derivatives									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	-	-	-	-	-	-
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	48,733	-	123,242	205,454	142,907	358,187	89,698	(49,673)
Rate Swap	-	-	-	406,000	12,850	-	157,020	835	(7,309)
Subtotal	**-**	**48,733**	**-**	**529,242**	**218,304**	**142,907**	**515,207**	**90,533**	**(56,982)**
Cash flow hedge derivative									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	36,773	36,773	275,796	11,032	-	-	2,699	-
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	92,883	339,628	1,110,721	2,752,110	1,570,213	2,007,263	220,557	(1,381,257)
Rate Swap	-	-	-	-	-	109,650	396,363	3,519	(17,417)
Subtotal	**-**	**129,656**	**376,401**	**1,386,517**	**2,763,142**	**1,679,863**	**2,403,626**	**226,775**	**(1,398,674)**
Total	**-**	**178,389**	**376,401**	**1,915,759**	**2,981,446**	**1,822,770**	**2,918,833**	**317,308**	**(1,455,656)**

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

As at December 31, 2024	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$
	Book Value							
Hedged item								-
Government instruments and Banco Central de Chile	-	-	436,757	-	-	257,116	188,639	882,512
Other instruments issued in Chile	-	-	-	-	-	-	-	-
Other instruments issued abroad	-	-	-	-	-	-	-	-
Consumption	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
Commercials	-	-	-	-	-	-	-	-
Term deposit	-	-	-	-	-	-	-	-
Current bonds	-	-	-	-	191,167	159,156	473,225	823,548
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
Promissory notes	-	26,198	38,264	-	-	-	-	64,462
Total	**-**	**26,198**	**475,021**	**-**	**191,167**	**416,272**	**661,864**	**1,770,522**

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
	Book Value							
Hedged item								
Government instruments and Banco Central de Chile	-	-	-	347,262	122,432	32,667	235,377	737,738
Other instruments issued in Chile	-	-	-	-	-	-	-	-
Other instruments issued abroad	-	-	-	-	-	-	-	-
Consumption	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
Commercials	-	-	-	-	-	-	-	-
Term deposit	-	-	-	-	-	-	-	-
Current bonds	-	-	-	-	57,600	109,759	332,658	500,017
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
Promissory notes	-	64,744	-	160,861	50,023	-	-	275,628
Total	**-**	**64,744**	**-**	**508,123**	**230,055**	**142,426**	**568,035**	**1,513,383**

d) Accounting hedge derivatives

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

Balances by risk management are presented below:

As at December 31, 2024	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument	
		Assets	Liabilities
	MCh$	MCh$	MCh$
Cash flow hedges:			
Interest rate risk			
Rate Swap	818,314	12,709	(6,546)
Cross currency swap	-	-	-
Exchange rate risk			
Rate Swap	447,633	-	(4,423)
Cross currency swap	2,017,673	195,881	(40,954)
Inflation risk			
Inflation insurances	656,925	27	(3,467)
Cross currency swap	6,101,878	50,366	(1,483,556)
Subtotal	**10,042,423**	**258,983**	**(1,538,946)**
Fair value hedges:			
Interest rate risk			
Rate Swap	854,495	3,397	(1,841)
Inflation risk			
Cross currency swap	447,431	67,883	(13,283)
Subtotal	**1,301,926**	**71,280**	**(15,124)**
Total	**11,344,349**	**330,263**	**(1,554,070)**

As at December 31, 2023	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument	
		Assets	Liabilities
	MCh$	MCh$	MCh$
Cash flow hedges:			
Interest rate risk			
Rate Swap	506,013	3,519	(17,417)
Cross currency swap	-	-	-
Exchange rate risk			
Cross currency swap	1,606,969	142,373	(44,761)
Inflation risk			
Inflation insurances	360,374	2,699	-
Cross currency swap	6,265,849	78,184	(1,336,496)
Subtotal	**8,739,205**	**226,775**	**(1,398,674)**
Fair value hedges:			
Interest rate risk			
Rate Swap	575,870	835	(7,309)
Inflation risk			
Cross currency swap	878,523	89,698	(49,673)
Subtotal	**1,454,393**	**90,533**	**(56,982)**
Total	**10,193,598**	**317,308**	**(1,455,656)**

d.1) Fair value accounting hedge derivatives

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

Additionally, the Bank uses fair value hedges to hedge the effect of inflation of debt instruments held for the sale of the Chilean General Treasury bonds in UF (BTU). Also, to hedge against the effect of the inflation of Bonds issued by the Bank in UF.

Hedging instruments include cross-currency interest rate swaps (CC and IRS).

d.2) Cash flow accounting hedge derivatives

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

As at December 31, 2024, the Bank has recorded a loss, net of tax of MCh$15,953 (gain of MCh$43,815 as at December 31, 2023) in other comprehensive income for the adjustment of cash flow hedging instruments.

As at December 31, 2024, a loss from cash flow hedge derivatives of MCh$58,866 (loss of MCh$61,700 as at December 31, 2023) was recognized in profit or loss, which includes the ineffective portion for changes in fair value of the hedge and the effects on profit or loss of the hedge as the hedged item affects profit or loss.

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

As at December 31, 2024	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	6,618	9,442	14,558	216,563	704,495	239,856	347,414	1,538,946
Hedged Item - Liabilities	-	(93)	(1,483)	(27,792)	(140,826)	(76,806)	(11,983)	(258,983)
Net cash flows	**6,618**	**9,349**	**13,075**	**188,771**	**563,669**	**163,050**	**335,431**	**1,279,963**

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Hedged Item - Assets	-	10,167	74,350	86,967	489,972	338,222	398,996	1,398,674
Hedged Item - Liabilities	-	(856)	(6,860)	(66,204)	(92,416)	(31,843)	(28,596)	(226,775)
Net cash flows	**-**	**9,311**	**67,490**	**20,763**	**397,556**	**306,379**	**370,400**	**1,171,899**

i) Cash flows forecast for interest rate risk:

As at December 31, 2024	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								
Inflows	-	-	-	-	4,791	173	1,582	**6,546**
Outflows	-	-	-	-	(3,307)	(4,576)	(4,826)	**(12,709)**
Net flows	**-**	**-**	**-**	**-**	**1,484**	**(4,403)**	**(3,244)**	**(6,163)**
Hedging instrument								
Inflows	-	-	-	-	3,307	4,576	4,826	**12,709**
Outflows	-	-	-	-	(4,791)	(173)	(1,582)	**(6,546)**
Net flows	**-**	**-**	**-**	**-**	**(1,484)**	**4,403**	**3,244**	**6,163**

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Hedged item								
Inflows	-	-	-	-	4,746	5,265	7,406	**17,417**
Outflows	-	-	-	-	(2,054)	(754)	(711)	(3,519)
Net flows	**-**	**-**	**-**	**-**	**2,692**	**4,511**	**6,695**	**13,898**
Hedging instrument								
Inflows	-	-	-	-	2,054	754	711	**3,519**
Outflows	-	-	-	-	(4,746)	(5,265)	(7,406)	**(17,417)**
Net flows	**-**	**-**	**-**	**-**	**(2,692)**	**(4,511)**	**(6,695)**	**(13,898)**

ii) Cash flows forecast for inflation risk:

As at December 31, 2024	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Inflows	6,618	9,442	14,558	216,563	677,208	229,722	332,912	**1,487,023**
Outflows	-	(93)	(31)	(2,312)	(13,584)	(25,739)	(8,634)	**(50,393)**
Net flows	**6,618**	**9,349**	**14,527**	**214,251**	**663,624**	**203,983**	**324,278**	**1,436,630**
Hedging instrument								
Inflows	-	93	31	2,312	13,584	25,739	8,634	**50,393**
Outflows	(6,618)	(9,442)	(14,558)	(216,563)	(677,208)	(229,722)	(332,912)	**(1,487,023)**
Net flows	**(6,618)**	**(9,349)**	**(14,527)**	**(214,251)**	**(663,624)**	**(203,983)**	**(324,278)**	**(1,436,630)**

As at December 31, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Inflows	-	10,167	74,350	86,967	474,718	313,318	376,976	**1,336,496**
Outflows	-	(856)	(6,860)	(7,868)	(24,039)	(14,796)	(26,464)	**(80,883)**
Net flows	**-**	**9,311**	**67,490**	**79,099**	**450,679**	**298,522**	**350,512**	**1,255,613**
Hedging instrument								
Inflows	-	856	6,860	7,868	24,039	14,796	26,464	**80,883**
Outflows	-	(10,167)	(74,350)	(86,967)	(474,718)	(313,318)	(376,976)	**(1,336,496)**
Net flows	**-**	**(9,311)**	**(67,490)**	**(79,099)**	**(450,679)**	**(298,522)**	**(350,512)**	**(1,255,613)**

iii) Cash flows forecast for exchange rate risk:

As at December 31, 2024	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Inflows	-	-	-	-	22,496	9,961	12,920	**45,377**
Outflows	-	-	(1,452)	(25,480)	(123,935)	(46,491)	1,477	**(195,881)**
Net flows	**-**	**-**	**(1,452)**	**(25,480)**	**(101,439)**	**(36,530)**	**14,397**	**(150,504)**
Hedging instrument								
Inflows	-	-	1,452	25,480	123,935	46,491	(1,477)	**195,881**
Outflows	-	-	-	-	(22,496)	(9,961)	(12,920)	**(45,377)**
Net flows	**-**	**-**	**1,452**	**25,480**	**101,439**	**36,530**	**(14,397)**	**150,504**

As at December 31, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Inflows	-	-	-	-	10,509	19,638	14,614	**44,761**
Outflows	-	-	-	(58,336)	(66,324)	(16,292)	(1,421)	**(142,373)**
Net flows	**-**	**-**	**-**	**(58,336)**	**(55,815)**	**3,346**	**13,193**	**(97,612)**
Hedging instrument								
Inflows	-	-	-	58,336	66,324	16,292	1,421	**142,373**
Outflows	-	-	-	-	(10,509)	(19,638)	(14,614)	**(44,761)**
Net flows	**-**	**-**	**-**	**58,336**	**55,815**	**(3,346)**	**(13,193)**	**97,612**

Ineffectiveness of accounting hedges

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

	12/31/2024 MCh$	12/31/2023 MCh$
Fair value hedges		
Gain (loss) recorded on the hedged items	(1,006)	17,878
Gain (loss) recorded on hedging instruments	1,083	(26,680)
Ineffectiveness	**77**	**(8,802)**
Cash flow hedges		
Ineffectiveness	**(1,891)**	**(2,918)**

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

As at December 31, 2024	Hedge ineffectiveness recognized in the result for the period MCh$	Amount reclassified from the cash flow hedge reserve to profit for the period MCh$
Interest rate risk	(96)	(57,516)
Exchange rate risk	138	42,626
Inflation rate risk	(1,933)	(43,976)
Total	**(1,891)**	**(58,866)**

As at December 31, 2023	Hedge ineffectiveness recognized in the result for the period MCh$	Amount reclassified from the cash flow hedge reserve to profit for the period MCh$
Interest rate risk	253	(252)
Exchange rate risk	84	(298)
Inflation rate risk	(3,255)	(61,150)
Total	**(2,918)**	**(61,700)**

Note 13 Financial assets at amortized cost

Financial assets at amortized cost are detailed as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Rights under resale agreements and securities lending agreements	262,360	226,394
Debt financial instruments	25,767	1,387,601
Loans and advances to banks	1,564	25,223
Loans and advances to customers	31,955,208	31,399,807
Total	**32,244,899**	**33,039,025**

a) Rights under resale agreements and securities lending agreements

The detail of this line item is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Operations with domestic banks	-	-
Operations with foreign banks	-	-
Operations with other domestic entities		
Repurchase contracts	262,364	226,410
Securities lending rights	-	-
Transactions with other entities abroad	-	-
Impairment in the accumulated value of financial assets at amortized cost - Rights from resale agreements and securities lending		
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	(4)	(16)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-
Financial assets with credit impairment (stage 3)	-	-
Total	**262,360**	**226,394**

The detail of the balance of rights for resale agreements and securities lending agreements separated by maturity period is as follows:

As at December 31, 2024	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Operations with domestic banks	-	-	-	-	-	-	-	-
Operations with foreign banks	-	-	-	-	-	-	-	-
Operations with other domestic entities	-	-	-	-	-	-	-	-
Repurchase contracts	-	255,226	6,216	922	-	-	-	262,364
Securities lending rights	-	-	-	-	-	-	-	-
Transactions with other entities abroad	-	-	-	-	-	-	-	-
Accumulated impairment of financial assets at amortized cost- Rights from resale agreements and securities lending								-
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	-	(4)	-	-	-	-	-	(4)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-	-	-	-	-	-	-
Financial assets with credit impairment (stage 3)	-	-	-	-	-	-	-	-
Total	**-**	**255,222**	**6,216**	**922**	**-**	**-**	**-**	**262,360**

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Operations with domestic banks	-	-	-	-	-	-	-	-
Operations with foreign banks	-	-	-	-	-	-	-	-
Operations with other domestic entities	-	-	-	-	-	-	-	-
Repurchase contracts	-	208,964	16,589	857	-	-	-	226,410
Securities lending rights	-	-	-	-	-	-	-	-
Transactions with other entities abroad	-	-	-	-	-	-	-	-
Accumulated impairment of financial assets at amortized cost- Rights from resale agreements and securities lending								
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	-	(16)	-	-	-	-	-	(16)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-	-	-	-	-	-	-
Financial assets with credit impairment (stage 3)	-	-	-	-	-	-	-	-
Total	**-**	**208,948**	**16,589**	**857**	**-**	**-**	**-**	**226,394**

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

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$
Balance as at January 1, 2024	226,410	(16)	-	-	-	-	226,410	(16)
New assets originated or purchased	15,608,728	(4)	-	-	-	-	15,608,728	(4)
Payments and written-off assets	(15,592,663)	16	-	-	-	-	(15,592,663)	16
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	19,889	-	-	-	-	-	19,889	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2024	**262,364**	**(4)**	**-**	**-**	**-**	**-**	**262,364**	**(4)**

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$
Balance as at January 1, 2023	216,985	(9)	-	-	-	-	216,985	(9)
New assets originated or purchased	10,721,020	(16)	-	-	-	-	10,721,020	(16)
Payments and written-off assets	(10,729,936)	9	-	-	-	-	(10,729,936)	9
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	18,341	-	-	-	-	-	18,341	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2023	**226,410**	**(16)**	**-**	**-**	**-**	**-**	**226,410**	**(16)**

b) Financial debt securities

As at December 31, 2024 and 2023, the detail of financial debt securities is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Government and Banco Central de Chile	-	1,359,476
Other debt financial instruments issued in Chile	25,767	28,125
Debt financial instruments issued abroad	-	-
Total	**25,767**	**1,387,601**

The reconciliation of the changes in the caption "Financial debt securities" is presented below:

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$
Balance as at January 1, 2024	1,390,382	(2,781)	-	-	-	-	1,390,382	(2,781)
New assets originated or purchased	-	-	-	-	-	-	-	-
Payments and written-off assets	(1,404,081)	45	-	-	-	-	(1,404,081)	45
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	42,202	-	-	-	-	-	42,202	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2024	**28,503**	**(2,736)**	**-**	**-**	**-**	**-**	**28,503**	**(2,736)**

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$
Balance as at January 1, 2023	-	-	-	-	-	-	-	-
New assets originated or purchased	1,372,489	(2,781)	-	-	-	-	1,372,489	(2,781)
Payments and written-off assets	-	-	-	-	-	-	-	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	17,893	-	-	-	-	-	17,893	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2023	**1,390,382**	**(2,781)**	**-**	**-**	**-**	**-**	**1,390,382**	**(2,781)**

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

i) Loans and advances to banks

Owed by banks as at December 31, 2024 (in MCh$)	Financial assets before provisions				Allowances constituted				Net financial asset
	Regular portfolio	Substandard portfolio	Default portfolio	Total	Regular portfolio	Substandard portfolio	Default portfolio	Total	
	Individual evaluation	Individual evaluation	Individual evaluation		Individual evaluation	Individual evaluation	Individual evaluation		
Domestic Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-	-	-
Other debts with local banks	-	-	-	-	-	-	-	-	-
Foreign Banks	**1,565**	**-**	**-**	**1,565**	**(1)**	**-**	**-**	**(1)**	**1,564**
Liquidity interbank loans	-	-	-	**-**	-	-	-	**-**	**-**
Commercial interbank loans	-	-	-	**-**	-	-	-	**-**	**-**
Overdrafts on checking accounts	-	-	-	**-**	-	-	-	**-**	**-**
Foreign trade loans Chilean exports	1,565	-	-	**1,565**	(1)	-	-	**(1)**	**1,564**
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	**1,565**	**-**	**-**	**1,565**	**(1)**	**-**	**-**	**(1)**	**1,564**
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	**1,565**	**-**	**-**	**1,565**	**(1)**	**-**	**-**	**(1)**	**1,564**

Owed by banks as at December 31, 2023 (in MCh$)	Financial assets before provisions				Allowances constituted				Net financial asset
	Regular portfolio Individual evaluation	Substandard portfolio Individual evaluation	Default portfolio Individual evaluation	Total	Regular portfolio Individual evaluation	Substandard portfolio Individual evaluation	Default portfolio Individual evaluation	Total	
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	**25,238**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**(15)**	**25,223**
Liquidity interbank loans	-	-	-	**-**	-	-	-	**-**	**-**
Commercial interbank loans	-	-	-	**-**	-	-	-	**-**	**-**
Overdrafts on checking accounts	-	-	-	**-**	-	-	-	**-**	**-**
Foreign trade loans Chilean exports	25,238	-	-	**25,238**	(15)	-	-	**(15)**	**25,223**
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	**25,238**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**(15)**	**25,223**
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	**25,238**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**(15)**	**25,223**

ii) Loans and accounts receivable from customers

Loans and accounts receivable from customers As at December 31, 2024 (in MCh$)	Financial assets before provisions: Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Default portfolio Evaluation individual	Default portfolio Evaluation group	Total	Allowances constituted: Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Default portfolio Evaluation individual	Default portfolio Evaluation group	Subtotal	Deductible guarantees FOGAPE Covid-19	Total	Net financial asset
Commercial loans															
Commercial loans	8,172,499	1,173,919	758,018	473,951	175,099	**10,753,486**	(71,947)	(9,860)	(34,808)	(129,505)	(41,973)	(288,093)	(5,762)	**(293,855)**	
Foreign trade loans - Chilean exports	1,103,773	147	23,711	5,708	-	**1,133,339**	(19,111)	(2)	(3,413)	(3,866)	-	(26,392)	-	**(26,392)**	
Foreign trade loans - Chilean imports	518,277	2,161	6,464	3,702	30	**530,634**	(12,753)	(59)	(1,435)	(2,886)	(17)	(17,150)	-	**(17,150)**	
Foreign trade loans between third countries	256	-	-	-	-	**256**	(4)	-	-	-	-	(4)	-	**(4)**	
Debtors in checking accounts	38,107	12,325	3,923	3,514	4,039	**61,908**	(657)	(366)	(751)	(2,027)	(2,241)	(6,042)	-	**(6,042)**	
Credit card debtors	5,975	7,373	1,238	491	881	**15,958**	(239)	(359)	(224)	(319)	(490)	(1,631)	-	**(1,631)**	
Factoring operations	256,899	717	5,699	2,360	23	**265,698**	(5,574)	(14)	(84)	(297)	(8)	(5,977)	-	**(5,977)**	
Commercial financial leasing operations	808,564	28,401	39,110	11,249	2,406	**889,730**	(4,225)	(334)	(1,176)	(1,718)	(1,048)	(8,501)	(165)	**(8,666)**	
Student loans	-	450,694	-	-	75,693	**526,387**	-	(6,016)	-	-	(9,289)	(15,305)	-	**(15,305)**	
Other loans and accounts receivable	556	163	-	3,711	31	**4,461**	(3)	(8)	-	(2,038)	(15)	(2,064)	-	**(2,064)**	
Subtotal	**10,904,906**	**1,675,900**	**838,163**	**504,686**	**258,202**	**14,181,857**	**(114,513)**	**(17,018)**	**(41,891)**	**(142,656)**	**(55,081)**	**(371,159)**	**(5,927)**	**(377,086)**	**13,804,771**
Mortgage loans															
Loans with letters of credit	-	55,397	-	-	7,424	**62,821**	-	(84)	-	-	(132)	(216)	-	**(216)**	
Loans with endorsable mortgage mutuals	-	26,616	-	-	2,413	**29,029**	-	(8)	-	-	(13)	(21)	-	**(21)**	
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	**-**	-	-	-	-	-	-	-	**-**	
Other mutual loans for housing	-	13,449,260	-	-	510,181	**13,959,441**	-	(23,680)	-	-	(22,502)	(46,182)	-	**(46,182)**	
Financial leasing operations for housing	-	27,942	-	-	2,557	**30,499**	-	(177)	-	-	(314)	(491)	-	**(491)**	
Other loans and accounts receivable	-	71,275	-	-	5,694	**76,969**	-	(116)	-	-	(178)	(294)	-	**(294)**	
Subtotal	**-**	**13,630,490**	**-**	**-**	**528,269**	**14,158,759**	**-**	**(24,065)**	**-**	**-**	**(23,139)**	**(47,204)**	**-**	**(47,204)**	**14,111,555**
Consumer loans															
Consumer loans in installments	-	1,596,344	-	-	147,338	**1,743,682**	-	(48,740)	-	-	(58,006)	(106,746)	-	**(106,746)**	
Debtors in checking accounts	-	64,081	-	-	5,591	**69,672**	-	(1,437)	-	-	(2,160)	(3,597)	-	**(3,597)**	
Credit card debtors	-	2,252,335	-	-	310,841	**2,563,176**	-	(102,104)	-	-	(125,421)	(227,525)	-	**(227,525)**	
Consumer financial leasing operations	-	-	-	-	-	**-**	-	-	-	-	-	-	-	**-**	
Other loans and accounts receivable	-	226	-	-	-	**226**	-	(6)	-	-	-	(6)	-	**(6)**	
Subtotal	**-**	**3,912,986**	**-**	**-**	**463,770**	**4,376,756**	**-**	**(152,287)**	**-**	**-**	**(185,587)**	**(337,874)**	**-**	**(337,874)**	**4,038,882**
Total	**10,904,906**	**19,219,376**	**838,163**	**504,686**	**1,250,241**	**32,717,372**	**(114,513)**	**(193,370)**	**(41,891)**	**(142,656)**	**(263,807)**	**(756,237)**	**(5,927)**	**(762,164)**	**31,955,208**

Loans and accounts receivable from customers As at December 31, 2023 (in MCh$)	Financial assets before provisions: Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Default portfolio Evaluation individual	Default portfolio Evaluation group	Total	Allowances constituted: Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Default portfolio Evaluation individual	Default portfolio Evaluation group	Subtotal	Deductible guarantees FOGAPE Covid-19	Total	Net financial asset
Commercial loans															
Commercial loans	8,339,756	1,157,924	785,866	312,190	144,076	**10,739,812**	(60,157)	(9,949)	(25,575)	(105,368)	(32,831)	(233,880)	(11,511)	**(245,391)**	
Foreign trade loans - Chilean exports	1,028,341	238	15,651	6,752	-	**1,050,982**	(12,912)	(7)	(2,419)	(5,439)	-	(20,777)	-	**(20,777)**	
Foreign trade loans - Chilean imports	386,868	1,257	2,833	3,975	85	**395,018**	(12,916)	(35)	(209)	(2,781)	(48)	(15,989)	-	**(15,989)**	
Foreign trade loans between third countries	289	-	-	-	-	**289**	(12)	-	-	-	-	(12)	-	**(12)**	
Debtors in checking accounts	36,409	11,980	3,694	3,662	3,574	**59,319**	(635)	(368)	(675)	(2,123)	(1,997)	(5,798)	-	**(5,798)**	
Credit card debtors	6,170	6,400	1,039	27	93	**13,729**	(267)	(252)	(183)	(13)	(46)	(761)	-	**(761)**	
Factoring operations	290,505	406	29,210	3,632	136	**323,889**	(4,181)	(14)	(646)	(1,214)	(48)	(6,103)	-	**(6,103)**	
Commercial financial leasing operations	757,705	28,570	37,906	14,858	1,854	**840,893**	(3,501)	(709)	(1,476)	(3,681)	(508)	(9,875)	(246)	**(10,121)**	
Student loans	-	533,833	-	-	104,960	**638,793**	-	(8,017)	-	-	(12,943)	(20,960)	-	**(20,960)**	
Other loans and accounts receivable	329	230	18	4,034	32	**4,643**	(18)	(11)	-	(2,635)	(16)	(2,680)	-	**(2,680)**	
Subtotal	**10,846,372**	**1,740,838**	**876,217**	**349,130**	**254,810**	**14,067,367**	**(94,599)**	**(19,362)**	**(31,183)**	**(123,254)**	**(48,437)**	**(316,835)**	**(11,757)**	**(328,592)**	**13,738,775**
Mortgage loans															
Loans with letters of credit	-	66,066	-	-	8,221	**74,287**	-	(109)	-	-	(167)	(276)	-	**(276)**	
Loans with endorsable mortgage mutuals	-	31,132	-	-	2,503	**33,635**	-	(12)	-	-	(15)	(27)	-	**(27)**	
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	**-**	-	-	-	-	-	-	-	**-**	
Other mutual loans for housing	-	13,282,349	-	-	388,033	**13,670,382**	-	(26,655)	-	-	(17,538)	(44,193)	-	**(44,193)**	
Financial leasing operations for housing	-	32,269	-	-	2,803	**35,072**	-	(199)	-	-	(366)	(565)	-	**(565)**	
Other loans and accounts receivable	-	73,614	-	-	4,722	**78,336**	-	(152)	-	-	(156)	(308)	-	**(308)**	
Subtotal	**-**	**13,485,430**	**-**	**-**	**406,282**	**13,891,712**	**-**	**(27,127)**	**-**	**-**	**(18,242)**	**(45,369)**	**-**	**(45,369)**	**13,846,343**
Consumer loans															
Consumer loans in installments	-	1,462,079	-	-	154,933	**1,617,012**	-	(48,747)	-	-	(63,561)	(112,308)	-	**(112,308)**	
Debtors in checking accounts	-	70,057	-	-	7,393	**77,450**	-	(1,438)	-	-	(2,783)	(4,221)	-	**(4,221)**	
Credit card debtors	-	2,192,441	-	-	260,014	**2,452,455**	-	(107,255)	-	-	(108,770)	(216,025)	-	**(216,025)**	
Consumer financial leasing operations	-	-	-	-	-	**-**	-	-	-	-	-	-	-	**-**	
Other loans and accounts receivable	-	325	-	-	9	**334**	-	(7)	-	-	(1)	(8)	-	**(8)**	
Subtotal	**-**	**3,724,902**	**-**	**-**	**422,349**	**4,147,251**	**-**	**(157,447)**	**-**	**-**	**(175,115)**	**(332,562)**	**-**	**(332,562)**	**3,814,689**
Total	**10,846,372**	**18,951,170**	**876,217**	**349,130**	**1,083,441**	**32,106,330**	**(94,599)**	**(203,936)**	**(31,183)**	**(123,254)**	**(241,794)**	**(694,766)**	**(11,757)**	**(706,523)**	**31,399,807**

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iii) Contingent loans

Exposure to credit risk for contingent loans	Exposure for contingent loans before allowances						Allowances constituted						Net exposure to credit risk of contingent loans
As at December 31, 2024	Regular portfolio		Substandard portfolio	Default portfolio		Total	Regular portfolio		Substandard portfolio	Default portfolio		Total	
	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation			
(in MCh$)	individual	group	individual	individual	group		individual	group	individual	individual	group		
Guarantees and Sureties	594,270	-	1,253	-	-	**595,523**	(1,572)	-	(518)	-	-	**(2,090)**	**593,433**
Letters of credit for merchandise circulation operations	41,335	-	1,289	-	-	**42,624**	(361)	-	(179)	-	-	**(540)**	**42,084**
Debt purchase commitments in local currency abroad	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Transactions related to contingent events	428,303	103	17,757	4,634	-	**450,797**	(3,178)	(2)	(4,171)	(2,740)	-	**(10,091)**	**440,706**
Lines of credit of free disposal of immediate cancellation	144,068	563,165	675	456	25,268	**733,632**	(646)	(4,934)	(96)	(144)	(6,820)	**(12,640)**	**720,992**
Lines of credit of free disposal	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Loans for senior studies Law No. 20027 (CAE)	-	1,630	-	-	-	**1,630**	-	(25)	-	-	-	**(25)**	**1,605**
Other irrevocable loan commitments	69,217	-	-	-	-	**69,217**	(230)	-	-	-	-	**(230)**	**68,987**
Other contingent loans	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Subtotal	**1,277,193**	**564,898**	**20,974**	**5,090**	**25,268**	**1,893,423**	**(5,987)**	**(4,961)**	**(4,964)**	**(2,884)**	**(6,820)**	**(25,616)**	**1,867,807**

Exposure to credit risk for contingent loans	Exposure for contingent loans before allowances						Allowances constituted						Net exposure to credit risk of contingent loans
As at December 31, 2023	Regular portfolio		Substandard portfolio	Default portfolio		Total	Regular portfolio		Substandard portfolio	Default portfolio		Total	
	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation			
(in MCh$)	individual	group	individual	individual	group		individual	group	individual	individual	group		
Guarantees and Sureties	524,805	-	4,146	-	-	**528,951**	(2,125)	-	(947)	-	-	**(3,072)**	**525,879**
Letters of credit for merchandise circulation operations	28,757	-	-	-	-	**28,757**	(424)	-	-	-	-	**(424)**	**28,333**
Debt purchase commitments in local currency abroad	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Transactions related to contingent events	305,903	197	19,762	1,211	-	**327,073**	(2,988)	(3)	(4,546)	(815)	-	**(8,352)**	**318,721**
Lines of credit of free disposal of immediate cancellation	71,453	552,503	632	249	25,548	**650,385**	(553)	(6,038)	(97)	(157)	(8,030)	**(14,875)**	**635,510**
Lines of credit of free disposal	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Loans for senior studies Law No. 20027 (CAE)	-	2,464	-	-	-	**2,464**	-	(38)	-	-	-	**(38)**	**2,426**
Other irrevocable loan commitments	74,585	-	-	-	-	**74,585**	(446)	-	-	-	-	**(446)**	**74,139**
Other contingent loans	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Subtotal	**1,005,503**	**555,164**	**24,540**	**1,460**	**25,548**	**1,612,215**	**(6,536)**	**(6,079)**	**(5,590)**	**(972)**	**(8,030)**	**(27,207)**	**1,585,008**

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

i) Loans and advances to banks

Summary of movement in allowances constituted by category of credit risk in the period As at December 31, 2024 (in MCh$)	Movement in provisions constituted by category in the period			
	Individual evaluation			
	Regular portfolio	Substandard portfolio	Default portfolio	Total
Owed by Banks				
Balance as at January 1, 2024	15	-	-	15
Constitution / (release) of allowances for:				
Change in measurement without portfolio reclassification during the period	(94)	-	-	**(94)**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2024 to 12/31/2024:				
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	158	-	-	**158**
New loans for conversion from contingent to loan	-	-	-	-
New loans purchased	-	-	-	-
Sale or transfers of loans	(80)	-	-	**(80)**
Payment of loans	-	-	-	-
Application of provisions due to write-offs	-	-	-	-
Recovery of written-off loans	-	-	-	-
Exchange differences	2	-	-	**2**
Other changes in provisions	-	-	-	-
Balance as at December 31, 2024	**1**	**-**	**-**	**1**

Summary of movement in allowances constituted by category of credit As at December 31, 2023 (in MCh$)	Movement in provisions constituted by category in the period			
	Individual evaluation			
	Regular portfolio	Substandard portfolio	Default portfolio	Total
Owed by Banks				
Balance as at January 1, 2023	7	-	-	7
Constitution / (release) of allowances for:				
Change in measurement without portfolio reclassification during the period	(13)	-	-	**(13)**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2023 to 12/31/2023:				
Regular individual up to Substandard	-	-	-	-
Regular individual up to Individual default	-	-	-	-
Substandard up to individual default	-	-	-	-
Substandard up to regular individual	-	-	-	-
Individual default up to substandard	-	-	-	-
Individual default up to individual regular	-	-	-	-
New originated loans	73	-	-	**73**
New loans for conversion from contingent to loan	-	-	-	-
New loans purchased	-	-	-	-
Sale or transfers of loans	-	-	-	-
Payment of loans	(52)	-	-	**(52)**
Application of provisions due to write-offs	-	-	-	-
Recovery of written-off loans	-	-	-	-
Exchange differences	-	-	-	-
Other changes in provisions	-	-	-	-
Balance as at December 31, 2023	**15**	**-**	**-**	**15**

ii) Commercial loans

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2024 (in MCh$)	Movement in allowances constituted by portfolio in the period							
	Regular portfolio Evaluation		Substandard portfolio	Default portfolio Evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	individual	group		individual	group			
Commercial loans								
Balance as at January 1, 2024	**94,599**	**19,362**	**31,183**	**123,254**	**48,437**	**316,835**	**11,757**	**328,592**
Constitution / (release) of provisions for:								
Change in measurement with portfolio reclassification during the period	22,850	11,913	13,896	29,142	40,013	117,814	(1,032)	**116,782**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2024 to 12/31/2024:								
Regular individual up to Substandard	(14,710)	-	24,033	-	-	9,323	-	**9,323**
Regular individual up to individual default	(171)	-	-	2,029	-	1,858	-	**1,858**
Substandard up to individual default	-	-	(16,168)	45,468	-	29,300	-	**29,300**
Substandard up to Regular individual	2,933	-	(6,190)	-	-	(3,257)	-	**(3,257)**
Individual default up to Substandard	-	-	334	(948)	-	(614)	-	**(614)**
Individual default up to Regular individual	176	-	-	(215)	-	(39)	-	**(39)**
Regular group up to default group	-	(13,604)	-	-	30,587	16,983	6	**16,989**
Group default up to group regular	-	788	-	-	(13,019)	(12,231)	-	**(12,231)**
Individual (regular, substandard, default) up to group (regular, default)	(344)	205	(53)	(812)	387	(617)	-	**(617)**
Group (regular, default) up to Individual (regular, substandard ,default)	1,432	(682)	82	487	(275)	1,044	-	**1,044**
New originated loans	133,552	5,395	31,503	17,065	22,414	209,929	141	**210,070**
New loans for conversion from contingent to loan	2,785	1,415	858	137	358	5,553	-	**5,553**
New loans purchased	-	-	-	-	-	-	-	**-**
Sale or transfers of loans	-	(860)	-	(564)	(26)	(1,450)	-	**(1,450)**
Payment of loans	(135,525)	(6,771)	(38,853)	(27,627)	(21,747)	(230,523)	(4,940)	**(235,463)**
Application of provisions due to write-offs	-	(165)	-	(49,597)	(52,048)	(101,810)	(5)	**(101,815)**
Recovery of written-off loans	-	14	-	-	-	14	-	**14**
Changes in models and methodologies	-	-	-	-	-	-	-	**-**
Exchange differences	6,936	8	1,266	4,837	-	13,047	-	**13,047**
Other changes in provisions	-	-	-	-	-	-	-	**-**
Balance as at December 31, 2024	**114,513**	**17,018**	**41,891**	**142,656**	**55,081**	**371,159**	**5,927**	**377,086**

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in allowances constituted by portfolio in the period							
	Regular portfolio Evaluation		Substandard portfolio	Default portfolio Evaluation		Subtotal	Deductible guarantees FOGAPE	Total
	individual	group		individual	group			
Commercial loans								
Balance as at January 1, 2023	**88,279**	**24,775**	**32,388**	**104,225**	**38,548**	**288,215**	**16,557**	**304,772**
Constitution / (release) of provisions for:								
Change in measurement with portfolio reclassification during the period	22,855	12,062	14,012	26,867	21,863	97,659	(1,240)	**96,419**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2023 to 12/31/2023:								
Regular individual up to Substandard	(9,385)	-	22,772	-	-	13,387	-	**13,387**
Regular individual up to individual default	(117)	-	-	2,439	-	2,322	-	**2,322**
Substandard up to individual default	-	-	(15,270)	37,882	-	22,612	-	**22,612**
Substandard up to Regular individual	4,904	-	(7,483)	-	-	(2,579)	-	**(2,579)**
Individual default up to Substandard	-	-	645	(3,635)	-	(2,990)	-	**(2,990)**
Individual default up to Regular individual	-	-	-	-	-	-	-	**-**
Regular group up to default group	-	(14,522)	-	-	33,762	19,240	-	**19,240**
Group default up to group regular	-	723	-	-	(9,280)	(8,557)	-	**(8,557)**
Individual (regular, substandard, default) up to group (regular, default)	(335)	278	(271)	(299)	345	(282)	-	**(282)**
Group (regular, default) up to Individual (regular, substandard ,default)	1,620	(980)	251	794	(472)	1,213	(58)	**1,155**
New originated loans	104,514	5,729	16,919	21,764	5,706	154,632	44	**154,676**
New loans for conversion from contingent to loan	2,641	1,245	576	128	384	4,974	-	**4,974**
New loans purchased	-	-	-	-	-	-	-	**-**
Sale or transfers of loans	-	(1,231)	-	-	(50)	(1,281)	-	**(1,281)**
Payment of loans	(122,097)	(8,706)	(33,521)	(26,287)	(11,173)	(201,784)	(3,546)	**(205,330)**
Application of provisions due to write-offs	-	(29)	-	(40,910)	(31,192)	(72,131)	-	**(72,131)**
Recovery of written-off loans	-	14	-	-	3	17	-	**17**
Changes in models and methodologies	-	-	-	-	-	-	-	**-**
Exchange differences	1,720	4	165	286	(7)	2,168	-	**2,168**
Other changes in provisions	-	-	-	-	-	-	-	**-**
Balance as at December 31, 2023	**94,599**	**19,362**	**31,183**	**123,254**	**48,437**	**316,835**	**11,757**	**328,592**

iii) Mortgage loans

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2024 (in MCh$)	Movement in provisions constituted by portfolio in the period Group evaluation Regular portfolio	Default portfolio	Total
Mortgage loans			
Balance as at January 1, 2024	**27,127**	**18,242**	**45,369**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	11,610	(2,319)	**9,291**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2024 to 12/31/2024:			
Group regular up to group default	(13,483)	17,880	**4,397**
Group default up to group regular	190	(2,239)	**(2,049)**
New originated loans	1,401	1,581	**2,982**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(2,779)	(4,491)	**(7,270)**
Application of provisions due to write-offs	(1)	(5,515)	**(5,516)**
Recovery of written-off loans	-	-	**-**
Changes in models and methodologies	-	-	**-**
Exchange differences	-	-	**-**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2024	**24,065**	**23,139**	**47,204**

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in provisions constituted by portfolio in the period Group evaluation Regular portfolio	Default portfolio	Total
Mortgage loans			
Balance as at January 1, 2023	**27,489**	**12,161**	**39,650**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	11,885	3,675	**15,560**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2023 to 12/31/2023:			
Group regular up to group default	(11,307)	14,814	**3,507**
Group default up to group regular	250	(2,521)	**(2,271)**
New originated loans	1,333	28	**1,361**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(2,517)	(2,008)	**(4,525)**
Application of provisions due to write-offs	(6)	(7,907)	**(7,913)**
Recovery of written-off loans	-	-	**-**
Changes in models and methodologies	-	-	**-**
Exchange differences	-	-	**-**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2023	**27,127**	**18,242**	**45,369**

iv) Consumer loans

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2024 (in MCh$)	Movement in provisions constituted by portfolio in the period Group evaluation Regular portfolio	Default portfolio	Total
Consumer loans			
Balance as at January 1, 2024	**157,447**	**175,115**	**332,562**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	68,032	241,589	**309,621**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2024 to 12/31/2024:			
Group regular up to group default	(69,669)	173,837	**104,168**
Group default up to group regular	12,371	(43,042)	**(30,671)**
New originated loans	26,253	52,130	**78,383**
New loans for conversion from contingent to loan	65,298	14,402	**79,700**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(108,469)	(61,299)	**(169,768)**
Application of provisions due to write-offs	(239)	(367,171)	**(367,410)**
Recovery of written-off loans	1,222	18	**1,240**
Changes in models and methodologies	-	-	**-**
Exchange differences	41	8	**49**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2024	**152,287**	**185,587**	**337,874**

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in provisions constituted by portfolio in the period Group evaluation Regular portfolio	Default portfolio	Total
Consumer loans			
Balance as at January 1, 2023	**146,883**	**105,227**	**252,110**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	80,065	229,980	**310,045**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2023 to 12/31/2023:			
Group regular up to group default	(61,360)	168,485	**107,125**
Group default up to group regular	8,642	(27,428)	**(18,786)**
New originated loans	24,039	41,979	**66,018**
New loans for conversion from contingent to loan	62,100	9,336	**71,436**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(104,231)	(48,058)	**(152,289)**
Application of provisions due to write-offs	(292)	(304,408)	**(304,700)**
Recovery of written-off loans	1,590	-	**1,590**
Changes in models and methodologies	-	-	**-**
Exchange differences	11	2	**13**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2023	**157,447**	**175,115**	**332,562**

v) Contingent loans

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2024 (in MCh$)	Movement in allowances constituted by portfolio in the period Regular portfolio Evaluation individual	group	Substandard portfolio	Default portfolio Evaluation individual	group	Total
Exposure by contingent loans						
Balance as at January 1, 2024	**6,536**	**6,079**	**5,590**	**972**	**8,030**	**27,207**
Constitution/(release) of provisions due to:						
Change in measurement without portfolio reclassification during the period	(3,695)	21,862	(18,644)	(1,241)	5,357	**3,639**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2024 to 12/31/2024:						
Regular individual up to Substandard	(34)	-	108	-	-	**74**
Regular individual up to individual default	(2)	-	-	87	-	**85**
Substandard up to individual default	-	-	(90)	482	-	**392**
Substandard up to regular individual	18	-	(30)	-	-	**(12)**
Individual default up to Substandard	-	-	1	(17)	-	**(16)**
Individual default up to individual regular	-	-	-	(18)	-	**(18)**
Group regular up to group default	-	(774)	-	-	13,846	**13,072**
Group default up to group regular	-	275	-	-	(5,973)	**(5,698)**
Individual (regular, substandard, default) up to group (regular, default)	(8)	4	(3)	(16)	-	**(23)**
Group (regular, default) up to Individual (regular, substandard, default)	55	(19)	3	10	-	**49**
New contingent loans granted	5,800	1,978	18,724	2,727	320	**29,549**
Contingent loans due to conversion to loans	(3,073)	(24,444)	(788)	(102)	(14,760)	**(43,167)**
Changes in models and methodologies	-	-	-	-	-	**-**
Exchange differences	390	-	93	-	-	**483**
Other changes in provisions	-	-	-	-	-	**-**
Balance as at December 31, 2024	**5,987**	**4,961**	**4,964**	**2,884**	**6,820**	**25,616**

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in allowances constituted by portfolio in the period Regular portfolio Evaluation individual	group	Substandard portfolio	Default portfolio Evaluation individual	group	Total
Exposure by contingent loans						
Balance as at January 1, 2023	**5,720**	**6,094**	**2,706**	**3,903**	**7,072**	**25,495**
Constitution/(release) of provisions due to:						
Change in measurement without portfolio reclassification during the period	(3,847)	25,818	(11,833)	(4,535)	(1,464)	**4,139**
Change in measurement due to portfolio reclassification from the beginning to the end of the financial year portfolio from 1/1/2023 to 12/31/2023:						
Regular individual up to Substandard	(491)	-	1,012	-	-	**521**
Regular individual up to individual default	(5)	-	-	412	-	**407**
Substandard up to individual default	-	-	(82)	844	-	**762**
Substandard up to regular individual	55	-	(81)	-	-	**(26)**
Individual default up to Substandard	-	-	421	(87)	-	**334**
Individual default up to individual regular	-	-	-	-	-	**-**
Group regular up to group default	-	(884)	-	-	17,318	**16,434**
Group default up to group regular	-	183	-	-	(5,282)	**(5,099)**
Individual (regular, substandard, default) up to group (regular, default)	(12)	6	(4)	-	1	**(9)**
Group (regular, default) up to Individual (regular, substandard, default)	109	(41)	8	5	-	**81**
New contingent loans granted	7,667	2,075	13,895	515	105	**24,257**
Contingent loans due to conversion to loans	(2,715)	(27,172)	(493)	(89)	(9,720)	**(40,189)**
Changes in models and methodologies	-	-	-	-	-	**-**
Exchange differences	55	-	41	4	-	**100**
Other changes in provisions	-	-	-	-	-	**-**
Balance as at December 31, 2023	**6,536**	**6,079**	**5,590**	**972**	**8,030**	**27,207**

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

Composition of economic activity As at December 31, 2024 (in MCh$)	Loans and exposure to contingent loans: loans within Country	Loans and exposure to contingent loans: loans within Abroad	Loans and exposure to contingent loans: Total	Allowances constituted: Loans within Country	Allowances constituted: Loans within Abroad	Allowances constituted: Sub-Total	Allowances constituted: Deductible guarantees FOGAPE Covid 19	Allowances constituted: Total
Owed by banks	-	1,565	**1,565**	-	(1)	**(1)**	-	**(1)**
Commercial loans								
Agriculture and Livestock	380,935	4,993	**385,928**	(19,725)	(449)	**(20,174)**	(344)	**(20,518)**
Sowing and harvesting of fruits	22	-	**22**	-	-	**-**	-	**-**
Forestry	76,605	-	**76,605**	(1,599)	-	**(1,599)**	(91)	**(1,690)**
Fishing	90,465	-	**90,465**	(2,823)	-	**(2,823)**	(78)	**(2,901)**
Mining	416,149	-	**416,149**	(1,624)	-	**(1,624)**	(75)	**(1,699)**
Oil and natural gas	320	-	**320**	(1)	-	**(1)**	-	**(1)**
Product Manufacturing Industry								
Food, beverages and tobacco	537,515	-	**537,515**	(17,594)	-	**(17,594)**	(180)	**(17,774)**
Textile, leather and footwear	21,812	-	**21,812**	(1,557)	-	**(1,557)**	(33)	**(1,590)**
Wood and furniture	66,057	-	**66,057**	(1,736)	-	**(1,736)**	(72)	**(1,808)**
Cellulose, paper and printing	76,529	-	**76,529**	(5,095)	-	**(5,095)**	(73)	**(5,168)**
Chemicals and petroleum derivatives	246,207	-	**246,207**	(4,857)	-	**(4,857)**	(389)	**(5,246)**
Metallic, non-metallic, machinery and others	603,301	-	**603,301**	(19,726)	-	**(19,726)**	(557)	**(20,283)**
Electricity, gas and water	1,260,009	-	**1,260,009**	(2,777)	-	**(2,777)**	(20)	**(2,797)**
Home building	293,245	-	**293,245**	(7,028)	-	**(7,028)**	(80)	**(7,108)**
Non-residential constructions (office, civil works)	222,815	-	**222,815**	(3,859)	-	**(3,859)**	(177)	**(4,036)**
Wholesale trade	1,342,198	126,410	**1,468,608**	(63,848)	(331)	**(64,179)**	(1,424)	**(65,603)**
Retail trade restaurants and hotels	473,077	-	**473,077**	(29,408)	-	**(29,408)**	(907)	**(30,315)**
Transport and storage	587,816	50,826	**638,642**	(12,932)	(42)	**(12,974)**	(437)	**(13,411)**
Telecommunications	671,534	-	**671,534**	(13,522)	-	**(13,522)**	(12)	**(13,534)**
Financial Services	1,284,255	24,013	**1,308,268**	(19,627)	(53)	**(19,680)**	(75)	**(19,755)**
Business services	-	-	**-**	-	-	**-**	-	**-**
Real estate services	3,117,881	20,390	**3,138,271**	(68,523)	(17)	**(68,540)**	(561)	**(69,101)**
Student loans	526,387	-	**526,387**	(15,305)	-	**(15,305)**	-	**(15,305)**
Public administration, defense and police	32,180	-	**32,180**	(258)	-	**(258)**	-	**(258)**
Social services and other community services	599,516	-	**599,516**	(15,273)	-	**(15,273)**	(342)	**(15,615)**
Personnel services	1,028,395	-	**1,028,395**	(41,570)	-	**(41,570)**	-	**(41,570)**
Subtotal	**13,955,225**	**226,632**	**14,181,857**	**(370,267)**	**(892)**	**(371,159)**	**(5,927)**	**(377,086)**
Mortgage loans	14,158,759	-	**14,158,759**	(47,204)	-	**(47,204)**	-	**(47,204)**
Consumer loans	4,376,756	-	**4,376,756**	(337,874)	-	**(337,874)**	-	**(337,874)**
Contingent loans exposure	1,893,423	-	**1,893,423**	(25,616)	-	**(25,616)**	-	**(25,616)**

Composition of economic activity As at December 31, 2023 (in MCh$)	Loans and exposure to contingent loans: loans within Country	Loans and exposure to contingent loans: loans within Abroad	Loans and exposure to contingent loans: Total	Allowances constituted: Loans within Country	Allowances constituted: Loans within Abroad	Allowances constituted: Sub-Total	Allowances constituted: Deductible guarantees FOGAPE Covid 19	Allowances constituted: Total
Owed by banks	-	25,238	**25,238**	-	(15)	**(15)**	-	**(15)**
Commercial loans								
Agriculture and Livestock	394,887	-	**394,887**	(14,249)	-	**(14,249)**	(536)	**(14,785)**
Sowing and harvesting of fruits	-	-	**-**	-	-	**-**	-	**-**
Forestry	46,418	-	**46,418**	(1,608)	-	**(1,608)**	(172)	**(1,780)**
Fishing	67,624	-	**67,624**	(1,776)	-	**(1,776)**	(97)	**(1,873)**
Mining	333,953	-	**333,953**	(1,468)	-	**(1,468)**	(135)	**(1,603)**
Oil and natural gas	743	-	**743**	(4)	-	**(4)**	-	**(4)**
Product Manufacturing Industry								
Food, beverages and tobacco	524,023	-	**524,023**	(12,961)	-	**(12,961)**	(513)	**(13,474)**
Textile, leather and footwear	19,866	-	**19,866**	(1,553)	-	**(1,553)**	(136)	**(1,689)**
Wood and furniture	60,971	-	**60,971**	(1,859)	-	**(1,859)**	(184)	**(2,043)**
Cellulose, paper and printing	67,499	-	**67,499**	(4,215)	-	**(4,215)**	(153)	**(4,368)**
Chemicals and petroleum derivatives	289,810	-	**289,810**	(3,898)	-	**(3,898)**	(509)	**(4,407)**
Metallic, non-metallic, machinery and others	741,687	-	**741,687**	(18,292)	-	**(18,292)**	(1,024)	**(19,316)**
Electricity, gas and water	1,382,505	-	**1,382,505**	(4,076)	-	**(4,076)**	(33)	**(4,109)**
Home building	346,875	-	**346,875**	(5,940)	-	**(5,940)**	(295)	**(6,235)**
Non-residential constructions (office, civil works)	221,437	-	**221,437**	(7,618)	-	**(7,618)**	(448)	**(8,066)**
Wholesale trade	1,040,765	103,174	**1,143,939**	(61,330)	(122)	**(61,452)**	(2,820)	**(64,272)**
Retail trade restaurants and hotels	412,498	-	**412,498**	(23,383)	-	**(23,383)**	(1,726)	**(25,109)**
Transport and storage	607,207	44,733	**651,940**	(11,614)	(37)	**(11,651)**	(957)	**(12,608)**
Telecommunications	643,127	-	**643,127**	(5,294)	-	**(5,294)**	(57)	**(5,351)**
Financial Services	1,270,825	21,109	**1,291,934**	(21,101)	(17)	**(21,118)**	(121)	**(21,239)**
Business services	-	-	**-**	-	-	**-**	-	**-**
Real estate services	3,009,124	106,598	**3,115,722**	(52,061)	(95)	**(52,156)**	(1,142)	**(53,298)**
Student loans	638,793	-	**638,793**	(20,960)	-	**(20,960)**	-	**(20,960)**
Public administration, defense and police	17,130	-	**17,130**	(14)	-	**(14)**	-	**(14)**
Social services and other community services	687,432	-	**687,432**	(13,088)	-	**(13,088)**	(694)	**(13,782)**
Personnel services	966,554	-	**966,554**	(28,202)	-	**(28,202)**	(5)	**(28,207)**
Subtotal	**13,791,753**	**275,614**	**14,067,367**	**(316,564)**	**(271)**	**(316,835)**	**(11,757)**	**(328,592)**
Mortgage loans	13,891,712	-	**13,891,712**	(45,369)	-	**(45,369)**	-	**(45,369)**
Consumer loans	4,147,251	-	**4,147,251**	(332,562)	-	**(332,562)**	-	**(332,562)**
Contingent loans exposure	1,612,215	-	**1,612,215**	(27,207)	-	**(27,207)**	-	**(27,207)**

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

As at December 31, 2024	Mortgage loans (MCh$)						Allowances constituted for Mortgage loans (MCh$)					
	Days in arrears at the end of the period						Days in arrears at the end of the period					
Loan Tranche / Guarantee (%)	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
PVG <= 40%	1,237,462	48,784	24,448	14,856	28,609	**1,354,159**	(81)	(36)	(45)	(45)	(328)	**(535)**
40% < PVG <= 80%	10,332,856	341,020	141,987	84,911	186,423	**11,087,197**	(7,445)	(3,783)	(2,735)	(2,237)	(5,670)	**(21,870)**
80% < PVG <= 90%	1,517,919	39,585	15,952	8,465	29,185	**1,611,106**	(9,252)	(2,605)	(2,041)	(1,535)	(6,488)	**(21,921)**
PVG >90%	98,117	3,945	1,061	407	2,767	**106,297**	(1,230)	(487)	(220)	(104)	(837)	**(2,878)**
Total	**13,186,354**	**433,334**	**183,448**	**108,639**	**246,984**	**14,158,759**	**(18,008)**	**(6,911)**	**(5,041)**	**(3,921)**	**(13,323)**	**(47,204)**

As at December 31, 2023	Mortgage loans (MCh$)						Allowances constituted for Mortgage loans (MCh$)					
	Days in arrears at the end of the period						Days in arrears at the end of the period					
Loan Tranche / Guarantee (%)	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
PVG <= 40%	1,118,062	44,998	24,480	13,358	22,636	**1,223,534**	(91)	(37)	(47)	(47)	(377)	**(599)**
40% < PVG <= 80%	9,819,757	308,166	129,082	67,896	140,403	**10,465,304**	(6,432)	(3,291)	(2,505)	(1,756)	(4,270)	**(18,254)**
80% < PVG <= 90%	1,984,289	51,229	18,433	10,408	20,736	**2,085,095**	(11,603)	(3,689)	(2,404)	(1,897)	(4,610)	**(24,203)**
PVG >90%	111,180	2,794	268	775	2,762	**117,779**	(969)	(272)	(47)	(190)	(835)	**(2,313)**
Total	**13,033,288**	**407,187**	**172,263**	**92,437**	**186,537**	**13,891,712**	**(19,095)**	**(7,289)**	**(5,003)**	**(3,890)**	**(10,092)**	**(45,369)**

Scotiabank

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

Concentration of debt owed by banks and commercial loans with their provisions established by classification category	Owed by banks and Commercial Loans																								
	Individual																			Group					Provision deductible guarantees FOGAPE Covid-19
As at December 31, 2024	Regular portfolio							Substandard portfolio					Default portfolio							Total	Regular portfolio	default portfolio	Total	Total	
(in MCh$)	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal						
Owed by banks																									
Liquidity interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans - Chilean exports	1,305	260	-	-	-	-	1,565	-	-	-	-	-	-	-	-	-	-	-	-	1,565	-	-	-	1,565	
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits in checking accounts in foreign banks for derivative operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	**1,305**	**260**	-	-	-	-	**1,565**	-	-	-	-	-	-	-	-	-	-	-	-	**1,565**	-	-	-	**1,565**	
Provisions constituted	**1**	-	-	-	-	-	**1**	-	-	-	-	-	-	-	-	-	-	-	-	**1**	-	-	-	**1**	
% provisions constituted	**0.08%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	
Commercial loans																									
Commercial loans	123,223	2,649,858	1,360,568	1,635,293	1,390,905	1,012,652	**8,172,499**	201,483	192,283	183,999	180,253	**758,018**	109,294	152,046	67,758	37,597	65,574	41,682	**473,951**	**9,404,468**	1,173,919	175,099	**1,349,018**	**10,753,486**	**5,762**
Foreign trade loans - Chilean exports	-	348,575	210,356	155,599	308,428	80,815	**1,103,773**	6,249	8,947	7,711	804	**23,711**	-	152	398	1,535	491	3,132	**5,708**	**1,133,192**	147	-	**147**	**1,133,339**	-
Foreign trade loans - Chilean imports	-	7,138	106,345	235,737	116,068	52,989	**518,277**	1,257	3,137	164	1,906	**6,464**	55	-	102	-	1,333	2,212	**3,702**	**528,443**	2,161	30	**2,191**	**530,634**	-
Foreign trade loans between third countries	-	-	-	256	-	-	**256**	-	-	-	-	-	-	-	-	-	-	-	-	**256**	-	-	-	**256**	-
Debtors in checking accounts	(1)	17,172	2,305	5,025	6,896	6,710	**38,107**	1,790	1,051	725	357	**3,923**	456	377	259	323	413	1,686	**3,514**	**45,544**	12,325	4,039	**16,364**	**61,908**	-
Credit card debtors	7	1,595	262	601	962	2,548	**5,975**	520	387	262	69	**1,238**	28	-	56	71	106	230	**491**	**7,704**	7,373	881	**8,254**	**15,958**	-
Factoring operations	-	12,956	31,658	57,862	70,062	84,361	**256,899**	569	-	5,130	-	**5,699**	2,077	-	-	-	-	283	**2,360**	**264,958**	717	23	**740**	**265,698**	-
Commercial financial leasing operations	-	39,208	159,346	349,189	187,913	72,908	**808,564**	19,098	7,266	8,889	3,857	**39,110**	4,103	4,854	551	479	1,258	4	**11,249**	**858,923**	28,401	2,406	**30,807**	**889,730**	**165**
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450,694	75,693	**526,387**	**526,387**	-
Other loans and accounts receivable	-	112	9	107	7	321	**556**	-	-	-	-	-	-	377	1,291	40	564	1,439	**3,711**	**4,267**	163	31	**194**	**4,461**	-
Subtotal	**123,229**	**3,076,614**	**1,870,849**	**2,439,669**	**2,081,241**	**1,313,304**	**10,904,906**	**230,966**	**213,071**	**206,880**	**187,246**	**838,163**	**116,013**	**157,806**	**70,415**	**40,045**	**69,739**	**50,668**	**504,686**	**12,247,755**	**1,675,900**	**258,202**	**1,934,102**	**14,181,857**	
Provisions constituted	**44**	**3,759**	**3,074**	**22,642**	**51,443**	**33,551**	**114,513**	**4,853**	**12,757**	**10,940**	**13,341**	**41,891**	**2,320**	**15,780**	**17,604**	**16,018**	**45,331**	**45,603**	**142,656**	**299,060**	**17,018**	**55,081**	**72,099**	**371,159**	**5,927**
% provisions constituted	**0.04%**	**0.12%**	**0.16%**	**0.93%**	**2.47%**	**2.55%**	**1.05%**	**2.10%**	**5.99%**	**5.29%**	**7.12%**	**5.00%**	**2.00%**	**10.00%**	**25.00%**	**40.00%**	**65.00%**	**90.00%**	**28.27%**	**2.44%**	**1.02%**	**21.33%**	**3.73%**	**2.62%**	

Concentration of debt owed by banks and commercial loans with their provisions established by classification category	Owed by banks and Commercial Loans																								
	Individual																			Group					Provision deductible guarantees FOGAPE Covid-19
As at December 31, 2023	Regular portfolio							Substandard portfolio					Default portfolio							Total	Regular portfolio	default portfolio	Total	Total	
(in MCh$)	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal						
Owed by banks																									
Liquidity interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans - Chilean exports	12,354	12,884	-	-	-	-	25,238	-	-	-	-	-	-	-	-	-	-	-	-	25,238	-	-	-	25,238	
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits in checking accounts in foreign banks for derivative operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	**12,354**	**12,884**	-	-	-	-	**25,238**	-	-	-	-	-	-	-	-	-	-	-	-	**25,238**	-	-	-	**25,238**	
Provisions constituted	**4**	**11**	-	-	-	-	**15**	-	-	-	-	-	-	-	-	-	-	-	-	**15**	-	-	-	**15**	
% provisions constituted	**0.03%**	**0.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	
Commercial loans																									
Commercial loans	73,434	2,517,757	1,486,926	2,324,797	968,176	968,666	**8,339,756**	298,377	203,642	208,603	75,244	**785,866**	121,169	35,861	21,119	17,868	70,493	45,680	**312,190**	**9,437,812**	1,157,924	144,076	**1,302,000**	**10,739,812**	**11,511**
Foreign trade loans - Chilean exports	-	414,466	178,528	209,573	180,564	45,210	**1,028,341**	11,578	427	3,646	-	**15,651**	-	485	-	-	999	5,268	**6,752**	**1,050,744**	238	-	**238**	**1,050,982**	-
Foreign trade loans - Chilean imports	-	4,365	59,096	147,048	103,853	72,506	**386,868**	2,473	158	101	101	**2,833**	-	90	-	-	2,899	986	**3,975**	**393,676**	1,257	85	**1,342**	**395,018**	-
Foreign trade loans between third countries	-	-	-	199	-	90	**289**	-	-	-	-	-	-	-	-	-	-	-	-	**289**	-	-	-	**289**	-
Debtors in checking accounts	-	11,742	3,220	5,421	6,968	9,058	**36,409**	1,931	772	777	214	**3,694**	459	410	80	283	989	1,441	**3,662**	**43,765**	11,980	3,574	**15,554**	**59,319**	-
Credit card debtors	8	558	885	616	1,083	3,020	**6,170**	573	256	158	52	**1,039**	-	2	4	11	9	1	**27**	**7,236**	6,400	93	**6,493**	**13,729**	-
Factoring operations	628	34,679	19,817	117,092	83,484	34,805	**290,505**	26,120	3,090	-	-	**29,210**	2,131	-	-	-	721	780	**3,632**	**323,347**	406	136	**542**	**323,889**	-
Commercial financial leasing operations	-	55,039	140,392	328,084	169,212	64,978	**757,705**	14,450	12,945	6,116	4,395	**37,906**	3,383	6,507	1,263	1,095	560	2,050	**14,858**	**810,469**	28,570	1,854	**30,424**	**840,893**	**246**
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	533,833	104,960	**638,793**	**638,793**	-
Other loans and accounts receivable	-	63	23	32	12	199	**329**	-	-	18	-	**18**	-	-	1,291	-	627	2,116	**4,034**	**4,381**	230	32	**262**	**4,643**	-
Subtotal	**74,070**	**3,038,669**	**1,888,887**	**3,132,862**	**1,513,352**	**1,198,532**	**10,846,372**	**355,502**	**221,290**	**219,419**	**80,006**	**876,217**	**127,142**	**43,355**	**23,757**	**19,257**	**77,297**	**58,322**	**349,130**	**12,071,719**	**1,740,838**	**254,810**	**1,995,648**	**14,067,367**	
Provisions constituted	**27**	**3,623**	**2,998**	**28,842**	**29,691**	**29,418**	**94,599**	**7,323**	**6,883**	**10,157**	**6,820**	**31,183**	**2,543**	**4,335**	**5,939**	**7,703**	**50,242**	**52,492**	**123,254**	**249,036**	**19,362**	**48,437**	**67,799**	**316,835**	**11,757**
% provisions constituted	**0.04%**	**0.12%**	**0.16%**	**0.92%**	**1.96%**	**2.45%**	**0.87%**	**2.06%**	**3.11%**	**4.63%**	**8.52%**	**3.56%**	**2.00%**	**10.00%**	**25.00%**	**40.00%**	**65.00%**	**90.00%**	**35.30%**	**2.06%**	**1.11%**	**19.01%**	**3.40%**	**2.25%**	

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

Concentration of credit risk by days past due As at December 31, 2024 (in MCh$)	Financial Assets before provision: Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Default portfolio Evaluation individual	Default portfolio Evaluation group	Total	Allowances constituted: Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Deductible guarantees Evaluation individual	Deductible guarantees Evaluation group	Subtotal	Deductible guarantees FOGAPE Covid-19	Total	Net financial asset
Owed by banks															
0 days	1,476	-	-	-	-	**1,476**	(1)	-	-	-	-	**(1)**	-	**(1)**	**1,475**
1 to 29 days	89	-	-	-	-	**89**	-	-	-	-	-	**-**	-	**-**	**89**
30 to 59 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
60 to 89 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
>= 90 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
Subtotal	**1,565**	**-**	**-**	**-**	**-**	**1,565**	**(1)**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**	**1,564**
Commercial loans															
0 days	10,818,376	1,567,305	734,609	186,107	70,932	**13,377,329**	(112,587)	(11,175)	(30,897)	(57,184)	(16,768)	**(228,611)**	(5,326)	**(233,937)**	**13,143,392**
1 to 29 days	78,978	62,349	64,244	21,057	22,553	**249,181**	(1,885)	(2,088)	(2,167)	(6,181)	(5,641)	**(17,962)**	(221)	**(18,183)**	**230,998**
30 to 59 days	7,551	32,994	20,580	21,125	17,214	**99,464**	(41)	(2,544)	(3,728)	(6,532)	(4,048)	**(16,893)**	(149)	**(17,042)**	**82,422**
60 to 89 days	1	13,252	18,695	12,420	13,010	**57,378**	-	(1,211)	(5,087)	(3,365)	(2,834)	**(12,497)**	(45)	**(12,542)**	**44,836**
>= 90 days	-	-	35	263,977	134,493	**398,505**	-	-	(12)	(69,394)	(25,790)	**(95,196)**	(186)	**(95,382)**	**303,123**
Subtotal	**10,904,906**	**1,675,900**	**838,163**	**504,686**	**258,202**	**14,181,857**	**(114,513)**	**(17,018)**	**(41,891)**	**(142,656)**	**(55,081)**	**(371,159)**	**(5,927)**	**(377,086)**	**13,804,771**
Mortgage loans															
0 days	-	13,060,220	-	-	126,134	**13,186,354**	-	(13,318)	-	-	(4,690)	**(18,008)**	-	**(18,008)**	**13,168,346**
1 to 29 days	-	371,754	-	-	61,580	**433,334**	-	(4,864)	-	-	(2,047)	**(6,911)**	-	**(6,911)**	**426,423**
30 to 59 days	-	135,724	-	-	47,724	**183,448**	-	(3,354)	-	-	(1,687)	**(5,041)**	-	**(5,041)**	**178,407**
60 to 89 days	-	62,792	-	-	45,847	**108,639**	-	(2,529)	-	-	(1,392)	**(3,921)**	-	**(3,921)**	**104,718**
>= 90 days	-	-	-	-	246,984	**246,984**	-	-	-	-	(13,323)	**(13,323)**	-	**(13,323)**	**233,661**
Subtotal	**-**	**13,630,490**	**-**	**-**	**528,269**	**14,158,759**	**-**	**(24,065)**	**-**	**-**	**(23,139)**	**(47,204)**	**-**	**(47,204)**	**14,111,555**
Consumer loans															
0 days	-	3,643,213	-	-	190,152	**3,833,365**	-	(97,428)	-	-	(65,837)	**(163,265)**	-	**(163,265)**	**3,670,100**
1 to 29 days	-	168,302	-	-	60,313	**228,615**	-	(30,542)	-	-	(22,987)	**(53,529)**	-	**(53,529)**	**175,086**
30 to 59 days	-	61,082	-	-	44,730	**105,812**	-	(14,058)	-	-	(17,420)	**(31,478)**	-	**(31,478)**	**74,334**
60 to 89 days	-	40,389	-	-	39,810	**80,199**	-	(10,259)	-	-	(16,635)	**(26,894)**	-	**(26,894)**	**53,305**
>= 90 days	-	-	-	-	128,765	**128,765**	-	-	-	-	(62,708)	**(62,708)**	-	**(62,708)**	**66,057**
Subtotal	**-**	**3,912,986**	**-**	**-**	**463,770**	**4,376,756**	**-**	**(152,287)**	**-**	**-**	**(185,587)**	**(337,874)**	**-**	**(337,874)**	**4,038,882**
Total loans	**10,906,471**	**19,219,376**	**838,163**	**504,686**	**1,250,241**	**32,718,937**	**(114,514)**	**(193,370)**	**(41,891)**	**(142,656)**	**(263,807)**	**(756,238)**	**(5,927)**	**(762,165)**	**31,956,772**

Concentration of credit risk by days past due As at December 31, 2023 (in MCh$)	Financial Assets before provision						Allowances constituted								
	Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Default portfolio Evaluation individual	Default portfolio Evaluation group	Total	Regular portfolio Evaluation individual	Regular portfolio Evaluation group	Substandard portfolio Evaluation individual	Deductible guarantees Evaluation individual	Deductible guarantees Evaluation group	Subtotal	Deductible guarantees FOGAPE Covid-19	Total	Net financial asset
Owed by banks															
0 days	25,238	-	-	-	-	**25,238**	(15)	-	-	-	-	**(15)**	-	**(15)**	**25,223**
1 to 29 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
30 to 59 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
60 to 89 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
>= 90 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
Subtotal	**25,238**	**-**	**-**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**-**	**-**	**(15)**	**-**	**(15)**	**25,223**
Commercial loans															
0 days	10,724,642	1,618,990	754,181	82,335	51,626	**13,231,774**	(93,174)	(12,646)	(23,020)	(28,729)	(9,819)	**(167,388)**	(10,669)	**(178,057)**	**13,053,717**
1 to 29 days	120,360	68,811	84,286	28,654	16,231	**318,342**	(1,378)	(2,391)	(5,849)	(10,421)	(3,589)	**(23,628)**	(392)	**(24,020)**	**294,322**
30 to 59 days	1,313	35,312	23,428	17,420	14,370	**91,843**	(45)	(2,659)	(1,403)	(4,120)	(3,138)	**(11,365)**	(116)	**(11,481)**	**80,362**
60 to 89 days	57	17,725	14,210	4,641	11,706	**48,339**	(2)	(1,666)	(895)	(1,757)	(2,603)	**(6,923)**	(90)	**(7,013)**	**41,326**
>= 90 days	-	-	112	216,080	160,877	**377,069**	-	-	(16)	(78,227)	(29,288)	**(107,531)**	(490)	**(108,021)**	**269,048**
Subtotal	**10,846,372**	**1,740,838**	**876,217**	**349,130**	**254,810**	**14,067,367**	**(94,599)**	**(19,362)**	**(31,183)**	**(123,254)**	**(48,437)**	**(316,835)**	**(11,757)**	**(328,592)**	**13,738,775**
Mortgage loans															
0 days	-	12,940,343	-	-	92,945	**13,033,288**	-	(15,805)	-	-	(3,290)	**(19,095)**	-	**(19,095)**	**13,014,193**
1 to 29 days	-	357,137	-	-	50,050	**407,187**	-	(5,206)	-	-	(2,083)	**(7,289)**	-	**(7,289)**	**399,898**
30 to 59 days	-	127,064	-	-	45,199	**172,263**	-	(3,326)	-	-	(1,677)	**(5,003)**	-	**(5,003)**	**167,260**
60 to 89 days	-	60,886	-	-	31,551	**92,437**	-	(2,790)	-	-	(1,100)	**(3,890)**	-	**(3,890)**	**88,547**
>= 90 days	-	-	-	-	186,537	**186,537**	-	-	-	-	(10,092)	**(10,092)**	-	**(10,092)**	**176,445**
Subtotal	**-**	**13,485,430**	**-**	**-**	**406,282**	**13,891,712**	**-**	**(27,127)**	**-**	**-**	**(18,242)**	**(45,369)**	**-**	**(45,369)**	**13,846,343**
Consumer loans															
0 days	-	3,416,340	-	-	156,292	**3,572,632**	-	(103,310)	-	-	(52,632)	**(155,942)**	-	**(155,942)**	**3,416,690**
1 to 29 days	-	200,542	-	-	57,037	**257,579**	-	(30,214)	-	-	(22,051)	**(52,265)**	-	**(52,265)**	**205,314**
30 to 59 days	-	73,396	-	-	45,943	**119,339**	-	(15,387)	-	-	(18,178)	**(33,565)**	-	**(33,565)**	**85,774**
60 to 89 days	-	34,624	-	-	32,097	**66,721**	-	(8,536)	-	-	(16,368)	**(24,904)**	-	**(24,904)**	**41,817**
>= 90 days	-	-	-	-	130,980	**130,980**	-	-	-	-	(65,886)	**(65,886)**	-	**(65,886)**	**65,094**
Subtotal	**-**	**3,724,902**	**-**	**-**	**422,349**	**4,147,251**	**-**	**(157,447)**	**-**	**-**	**(175,115)**	**(332,562)**	**-**	**(332,562)**	**3,814,689**
Total loans	**10,871,610**	**18,951,170**	**876,217**	**349,130**	**1,083,441**	**32,131,568**	**(94,614)**	**(203,936)**	**(31,183)**	**(123,254)**	**(241,794)**	**(694,781)**	**(11,757)**	**(706,538)**	**31,425,030**

i) Lease operations

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

	12/31/2024			12/31/2023		
	Account receivable MCh$	Interest and deferred VAT MCh$	Net balance receivable MCh$	Account receivable MCh$	Interest and deferred VAT MCh$	Net balance receivable MCh$
On-demand	1,107	(30)	1,077	1,332	(31)	1,301
Up to one month	693	(116)	577	35,351	(7,235)	28,116
More than one up to three months	395,445	(76,064)	319,381	67,662	(13,981)	53,681
More than three months up to one year	6,363	(1,265)	5,098	284,338	(60,914)	223,424
More than one up to three years	374,996	(90,363)	284,633	481,922	(110,621)	371,301
More than three up to five years	42,862	(7,505)	35,357	167,776	(42,640)	125,136
More than five years	372,548	(98,442)	274,106	101,847	(28,841)	73,006
Total	**1,194,014**	**(273,785)**	**920,229**	**1,140,228**	**(264,263)**	**875,965**

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

As at December 31, 2024, MCh$264,055 corresponds to finance leases on real estate (MCh$241,081 as at December 31, 2023) and MCh$656,174 to finance leases on non-real estate (MCh$634,884 as at December 31, 2023).

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."

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

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

The summary of sales performed is as follows:

Concept	12/31/2024 MCh$	12/31/2023 MCh$
Par value	21,673	38,571
Provisions	(886)	(1,281)
Net value of provisions	**20,787**	**37,290**
Sale value	26,768	47,442
Sale result (1)	**5,981**	**10,152**
(Loss) profit in sale (2)	**2,430**	**3,480**
Income received in advance	**3,551**	**6,672**

(1) The gain or loss on the sale is obtained from the sales value less the net value of allowances.
(2) The gain (loss) on sale is included in the 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 Consolidated Statements of Financial Position.

k) Sale of Loans

During the year from January 1 through December 31, 2024, loans of the commercial portfolio were assigned recording a gain of MCh$296 and a loss of MCh$36 for the sale of loans from the retail portfolio (a gain of MCh$1,274 from assignment of loans of the commercial portfolio and a gain of MCh$324 for the sale of loans written off as at December 31, 2023), in the caption "Gain or loss on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

During the year from January 1 through December 31, 2024, the subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario S.A., recorded a realized gain from the assignment of portfolio of MCh$65 (a gain of MCh$70 as at December 31, 2023), in the caption "Gain or loss on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

l) Securitization

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

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

	12/31/2024 MCh$	12/31/2023 MCh$
Housing loan portfolio	1,986	2,934
Carrying amount of associated liabilities	1,595	2,626

As at December 31, 2024, the subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario S.A. recognizes a liability pending repayment of MCh$1,595 (MCh$2,626 as at December 31, 2023), 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.

Note 14 Investment in companies.

The detail of investments in companies is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Companies locally controlled	-	-
Companies controlled abroad		
Branches controlled abroad	-	-
Other companies controlled abroad	-	-
Companies with significant influence in the country	28,542	24,350
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	10,172	9,829
Minority investments in other companies abroad	42	41
Total Investments in companies	**38,756**	**34,220**

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

	Ownership %	Tax ID No	Country	Company´s equity as at 12/31/2024 MCh$	Investment as at 12/31/2024 MCh$	Investment as at 12/31/2023 MCh$
Transbank S.A.	22.69	96.689.310-9	Chile	146,817	28,542	24,350
Total					**28,542**	**24,350**

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

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

	12/31/2024 MCh$	12/31/2023 MCh$
Assets and liabilities		
Current assets	1,816,145	1,362,961
Non-current assets	161,533	164,517
Current liabilities	1,813,686	1,357,443
Non-current liabilities	17,176	36,141
Income statements (summary)		
Net sale	165,214	152,861
Operating results	11,581	34,481
Profit (loss) for the period	9,845	26,814
Depreciation and amortization	(73,110)	(62,594)

b) Minority investments in other domestic companies

	Country	Investment as at 12/31/2024 MCh$	Investment as at 12/31/2023 MCh$
Holding Bursátil Chilena S.A.	Chile	6,070	5,727
Bolsa Electrónica de Chile	Chile	310	310
Sociedad Interbancaria de Depósitos de Valores	Chile	204	204
Sociedad Servicios de Infraestructura y de Mercado OTC	Chile	2,291	2,291
Redbanc S.A.	Chile	860	860
Combanc S.A.	Chile	403	403
Bolsa de Valores de Valparaíso S.A.	Chile	11	11
Club de La Unión	Chile	15	15
Caja Compensación Bolsa de Comercio de Santiago	Chile	8	8
Total		**10,172**	**9,829**

c) Minority investments in other companies abroad

	Country	Investment as at 12/31/2024 MCh$	Investment as at 12/31/2023 MCh$
Society for Worldwide Interbank Financial Telecommunication	Belgium	11	10
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	31	31
Total		**42**	**41**

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

	12/31/2024 MCh$	12/31/2023 MCh$
Book value as at January 1	34.220	26.093
Capital increase in Transbank S.A.	-	
Division of Bolsa de Comercio de Santiago	-	(2.577)
Incorporation of Sociedad de Infraestructura de Mercado S.A.	-	2.577
Subscription and exchange of shares of Bolsa de Comercio de Santiago	-	(663)
Subscription and exchange of shares of Sociedad de Infraestructuras de Mercado S.A.	-	(4.139)
Subscription of shares Holding Bursátil Chilena S.A.	-	4.802
Adjustment to market value on minority investments in other companies	343	2.521
Participation on results in companies with significant influence	4.192	5.606
Sale of investments	-	-
Exchange rate variation Investments in other foreign companies	1	
Total	**38.756**	**34.220**

During the years ended December 31, 2024 and 2023, there have been no movements associated with impairment.

Note 15 Intangible assets

a) The detail of intangible assets is as follows:

Intangible assets	Years of useful life 2024	Years of useful life 2023	Average remaining amortization 2024	Average remaining amortization 2023	Gross balance 12/31/2024 MCh$	Gross balance 12/31/2023 MCh$	Accumulated amortization and 12/31/2024 MCh$	Accumulated amortization and 12/31/2023 MCh$	Net balance 12/31/2024 MCh$	Net balance 12/31/2023 MCh$
Goodwill for business combinations	-	-	-	-	-	-	-	-	-	-
Other intangibles arising from business combinations (1)										
Exclusivity agreement	15	15	5	6	138,425	138,425	(89,208)	(79,979)	49,217	58,446
Other independently originated intangible assets										
Software or computer programs purchased independently	10	10	2	2	17,494	17,292	(16,255)	(15,043)	1,239	2,249
Software or computer programs generated internally	10	10	5	4	329,277	282,535	(124,127)	(87,805)	205,150	194,730
Total intangible assets					**485,196**	**438,252**	**(229,590)**	**(182,827)**	**255,606**	**255,425**

(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.

b) Intangible assets are detailed as follows:

	Computer programs MCh$	Intangible assets, business combinations MCh$	Other MCh$	Total MCh$
Gross balance :				
Balance as at January 1, 2023	252,298	138,425	-	390,723
Acquisitions	59,733	-	-	59,733
Reclassifications	38	-	-	38
Assets disposal	(11,880)	-	-	(11,880)
Impairment	(362)	-	-	(362)
Total gross	**299,827**	**138,425**	**-**	**438,252**
Accumulated amortization as at January 1, 2023	(79,572)	(70,751)	-	(150,323)
Amortization for the period	(30,723)	(9,228)	-	(39,951)
Assets disposal	7,349	-	-	7,349
Impairment	98	-	-	98
Other	-	-	-	-
Total amortization	**(102,848)**	**(79,979)**	**-**	**(182,827)**
Balance as at December 31, 2023	**196,979**	**58,446**	**-**	**255,425**
Gross balance :				
Balance as at January 1, 2024	299,827	138,425	-	438,252
Acquisitions	47,333	-	-	47,333
Reclassifications	(50)	-	-	(50)
Impairment	(339)	-	-	(339)
Total gross	**346,771**	**138,425**	**-**	**485,196**
Accumulated amortization as at January 1, 2024	(102,848)	(79,979)	-	(182,827)
Amortization for the period	(37,534)	(9,229)	-	(46,763)
Impairment	-	-	-	-
Total amortization	**(140,382)**	**(89,208)**	-	**(229,590)**
Balance as at December 31, 2024	**206,389**	**49,217**	-	**255,606**

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

Note 16 Property and equipment

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

Property and equipment	Average useful life		Remaining average depreciation		Gross balance		Accumulated depreciation		Net balance	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
	years	years	years	years	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Land and constructions	80	80	35	35	65,176	68,358	(20,483)	(20,085)	44,693	48,273
Equipment	6	6	5	5	138,694	135,461	(112,718)	(103,725)	25,976	31,736
Other	6	6	5	5	18,509	18,308	(14,463)	(13,990)	4,046	4,318
Total					**222,379**	**222,127**	**(147,664)**	**(137,800)**	**74,715**	**84,327**

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, 2023	69.131	124.735	23.331	217.197
Purchase of property and equipment	-	1.264	7.064	8.328
Asset disposal	(773)	(1.108)	(811)	(2.692)
Reclassification of accounts	-	10.570	(11.276)	(706)
Impairment	-	-	-	-
Gross total	**68.358**	**135.461**	**18.308**	**222.127**
Accumulated depreciation as at January 1, 2023	(18.600)	(94.429)	(13.532)	(126.561)
Depreciation for the period	(1.613)	(9.970)	(620)	(12.203)
Asset disposal	128	674	162	964
Reclassification of accounts	-	-	-	-
Impairment	-	-	-	-
Total depreciation	**(20.085)**	**(103.725)**	**(13.990)**	**(137.800)**
Balance as at December 31, 2023	**48.273**	**31.736**	**4.318**	**84.327**
Balance as at January 1, 2024	68.358	135.461	18.308	222.127
Purchase of property and equipment	-	1.678	2.926	4.604
Asset disposal	(3.182)	(1.046)	(153)	(4.381)
Reclassification of accounts	-	2.601	(2.572)	29
Impairment	-	-	-	-
Gross total	**65.176**	**138.694**	**18.509**	**222.379**
Accumulated depreciation as at January 1, 2024	(20.085)	(103.725)	(13.990)	(137.800)
Depreciation for the period	(1.594)	(9.767)	(609)	(11.970)
Asset disposal	1.196	774	136	2.106
Reclassification of accounts	-	-	-	-
Impairment	-	-	-	-
Total depreciation	**(20.483)**	**(112.718)**	**(14.463)**	**(147.664)**
Balance as at December 31, 2024	**44.693**	**25.976**	**4.046**	**74.715**

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

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

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

Assets for the right-to-use lease assets	Gross balance		Accumulated depreciation		Net balance	
	12/31/2024 MCh$	12/31/2023 MCh$	12/31/2024 MCh$	12/31/2023 MCh$	12/31/2024 MCh$	12/31/2023 MCh$
Building and land	186,520	189,843	(57,648)	(48,726)	128,872	141,117
Leased property improvements	40,663	41,055	(24,392)	(22,603)	16,271	18,452
Total	**227,183**	**230,898**	**(82,040)**	**(71,329)**	**145,143**	**159,569**

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

	Building and land MCh$	Leased property improvements MCh$	Total MCh$
Gross balance:			
Balance as at January 1, 2023	194,760	41,961	236,721
Adjustment due to liability remeasurement	6,943	-	6,943
Additions	1,186	4	1,190
Increase due to contract modification	1,674	-	1,674
Decrease due to contract modification	(2,500)	-	(2,500)
Contract modification - subsidiaries	(767)	-	(767)
Reclassifications (1)	-	668	668
Withdrawals / Derecognition	(11,453)	(1,578)	(13,031)
Gross Total	**189,843**	**41,055**	**230,898**
Accumulated depreciation as at January 1, 2023	(41,616)	(21,023)	(62,639)
Impairment	-	-	-
Depreciation for the period	(12,342)	(2,418)	(14,760)
Decrease due to contract modification	714	-	714
Reclassifications	-	-	-
Withdrawals / Derecognition	4,518	838	5,356
Total depreciation	**(48,726)**	**(22,603)**	**(71,329)**
Balance as at December 31, 2023	**141,117**	**18,452**	**159,569**
Balance as at January 1, 2024	189,843	41,055	230,898
Adjustment due to liability remeasurement	5,706	-	5,706
Additions	2,026	44	2,070
Increase due to contract modification	110	-	110
Decrease due to contract modification	(8,943)	-	(8,943)
Reclassifications (1)	-	21	21
Withdrawals / Derecognition	(2,222)	(457)	(2,679)
Gross Total	**186,520**	**40,663**	**227,183**
Accumulated depreciation as at January 1, 2024	(48,726)	(22,603)	(71,329)
Impairment	-	-	-
Depreciation for the period	(11,737)	(2,246)	(13,983)
Decrease due to contract modification	1,010	-	1,010
Withdrawals / derecognition	1,805	457	2,262
Total depreciation	**(57,648)**	**(24,392)**	**(82,040)**
Balance as at December 31, 2024	**128,872**	**16,271**	**145,143**

(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.

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

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

As at December 31, 2024 and 2023, the Bank has no expenses related to leases of low value. Expenses related to short-term leases amount to MCh$5,468 as at December 31, 2024 (MCh$5,064 as at December 31, 2023) and are included under the caption "Administrative expenses" of the Consolidated Statements of Income.

Income received from the sub-lease on right-of-use assets amount to MCh$228 as at December 31, 2024 (MCh$505 as at December 31, 2023), which are recorded in the caption "Other Operating Income" in the Consolidated Statements of Income.

As at December 31, 2024 and 2023, no gains or losses were generated from sale with leaseback transactions.

c) Liabilities under lease contracts

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

Lease liability	Movements for the periods ended as at	
	12/31/2024 MCh$	12/31/2023 MCh$
Balances as at January 1	149,308	160,376
Lease liabilities generated	2,026	1,186
Modification of contract	(7,823)	(112)
Modification of contract- subsidiaries	-	(767)
Interest expense	4,400	4,396
Capital payments (*)	(10,560)	(11,026)
Interest payments (*)	(4,400)	(4,396)
Contract adjustments	5,706	6,943
Payments due to cancellation /termination of leases	(449)	(7,292)
Total	**138,208**	**149,308**
(*) Total Payments associated with lease liabilities in the period	(14,960)	(15,422)

d) Cash flows from liabilities under lease contracts

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

Lease contracts flows	Up to 1 month MCh$	Between 1 and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 and 5 years MCh$	More than 5 years MCh$	Total MCh$
As at December 31, 2024	1,261	2,471	11,144	59,128	103,641	177,645
As at December 31, 2023	1,225	2,453	11,035	57,429	113,536	185,678

Note 18 Taxes

a) Current taxes

	12/31/2024 MCh$	12/31/2023 MCh$
Assets:		
Income tax, 27% tax rate	(9,184)	(12,784)
One-off tax under Article No. 21, 40% tax rate	-	-
Less:		
Monthly tax provisional payments	12,683	14,912
Credit for training expenses	333	285
Credit 104 Income Tax Law	-	-
Previous year recoverable tax	-	-
Other	-	-
Total current tax asset	**3,832**	**2,413**
Liabilities:		
Income tax, 27% tax rate	(111,429)	(132,062)
One-off tax under Article No. 21, 40% tax rate	(28)	(33)
Previous year income tax	-	-
Less:		
Monthly tax provisional payments	91,719	49,742
Credit for training expenses	541	546
Previous year recoverable tax	15,340	18,713
Credit 104 Income Tax Law	1,431	9
Other	(141)	(137)
Total current tax liability	**(2,567)**	**(63,222)**

b) Tax benefit (expense)

The effect of tax expense is composed of the following:

	12/31/2024 MCh$	12/31/2023 MCh$
Income tax expenses:		
Current year tax	(142,880)	(119,349)
Excess (deficit) allowance previous year	(2,321)	3,243
Previous years tax	-	-
Credit (charge) due to deferred taxes:		
Origination and reversal of temporary differences current year	49,965	41,961
Origination and reversal of temporary differences prior year	718	(434)
Subtotal	(94,518)	(74,579)
Tax for rejected expenses Article No. 21	(28)	(33)
Other	-	-
Net charge to Income due to income tax	**(94,546)**	**(74,612)**

The Bank presents no taxes from discontinued operations for the years ended December 31, 2024 and 2023.

c) Effect of taxes recorded in equity

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

	12/31/2024 MCh$	12/31/2023 MCh$
Deferred taxes:		
Financial investments at fair value with changes in other comprehensive income	(9,232)	(11,981)
Employee defined benefit plans	61	17
Subtotal deferred taxes	**(9,171)**	**(11,964)**
Current taxes:		
Derivatives in cash flow hedges	22,135	(26,030)
Subtotal current taxes	**22,135**	**(26,030)**
Total (charge) credit in equity	**12,964**	**(37,994)**

d) Deferred tax assets and liabilities

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

Concept	12/31/2024 MCh$	12/31/2023 MCh$
Deferred tax assets associated to goodwill	-	-
Deferred tax assets associated with mortgage servicing rights	-	-
Deferred tax assets associated with other intangibles	3,194	6,555
Deferred tax assets associated with defined benefit pension plans	576	495
Deferred tax assets associated with deductible temporary differences	-	-
Loans provisions	248,180	221,485
Financial penalties of loans thar are tax assets	-	-
Income from interest and adjustments with accrual suspended for loans in impaired portfolio	22,245	16,764
Provisions for employee benefit obligations	8,480	9,771
Leasing operations	40,185	13,098
Tax-financial differences of property and equipment	11,915	11,597
MTM Financial instruments for trading and other investments	23,104	23,611
Sundry provisions	3,910	5,062
Other	13,475	16,518
Deferred tax assets not associated with deductible temporary differences	-	-
Unused Bank Tax Losses	-	-
Unused tax losses of subsidiaries	4,322	3,854
Unused tax credits	-	-
Deferred taxes with changes in equity	23,627	31,848
Other	-	-
Total deferred tax assets	**403,213**	**360,658**
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	(836)	(795)
Leasing operations	-	-
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-
Other changes in accumulated other comprehensive income	-	-
Other	-	-
Deferred tax liabilities not associated with taxable temporary differences	-	-
Goodwill for significant investments in companies measured using equity method (associates and/or joint ventures)	-	-
Total deferred tax liabilities	**(836)**	**(795)**

e) Reconciliation of effective tax rate

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

	Tax rate %	12/31/2024 MCh$
Income before taxes	**-**	**551,869**
Income before corporate income tax	27.00%	149,005
Permanent differences		
Price-level restatement on tax equity	(10.03%)	(55,335)
Other permanent differences	0.93%	5,141
Taxes not recognized on profit or loss in previous years		
Prior year effect	0.29%	1,616
Other	(1.07%)	(5,909)
Effective rate and current year income tax proceeds	**17.12%**	**94,518**
One-off tax under Article No. 21	0.01%	28
Total income tax expense	**17.13%**	**94,546**

	Tax rate %	12/31/2023 MCh$
Income before taxes	**-**	**491,177**
Income before corporate income tax	27.00%	132,618
Permanent differences		
Price-level restatement on tax equity	(11.59%)	(56,941)
Other permanent differences	0.07%	329
Taxes not recognized on profit or loss in previous years		
Prior year effect	(0.58%)	(2,870)
Other	0.29%	1,443
Effective rate and current year income tax proceeds	**15.19%**	**74,579**
One-off tax under Article No. 21	0.01%	33
Total income tax expense	**15.20%**	**74,612**

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

Transactions and effects generated by the application of article 31, number 4 of the Income Tax Law is detailed below. This information relates solely to the Bank's loan transactions and does not consider the operations of subsidiaries which consolidate in these Consolidated Financial Statements.

Loans and accounts receivable from customers as at 12/31/2024

Type of loan	Assets at carrying amount in the Financial Statements(*)	Assets at tax value		
		Total	Secured overdue portfolio	Unsecured overdue portfolio
	MCh$	MCh$	MCh$	MCh$
Commercial loans	14,630,069	14,914,841	136,313	36,266
Consumer loans	2,388,138	2,561,556	2,393	874
Mortgage loans	14,128,260	14,653,784	10,661	12
Total	**31,146,467**	**32,130,181**	**149,367**	**37,152**

Provisions on overdue portfolio as at 12/31/2024

Type of loan	Balance as at December 31, 2023	Write-offs against allowances	Allowances constituted	Released allowances	Balance as at December 31, 2024
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	56,707	(41,480)	48,124	(27,084)	36,266
Consumer loans	18,505	(47,681)	46,095	(16,045)	874
Mortgage loans	21	(13)	18	(14)	12
Total	**75,233**	**(89,174)**	**94,238**	**(43,143)**	**37,152**

Direct write/offs and recoveries as at 12/31/2024	**MCh$**
Direct write-offs as per Art. 31 No. 4 second sub-paragraph	176,626
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	55,616

Application of Art. 31 No. 4 first and third sub- paragraphs	**MCh$**
Write-offs per first sub- paragraph	-
Forgiveness per third sub-paragraph	-

Loans and accounts receivable from customers as at 12/31/2023

Type of loan	Assets at carrying amount in the Financial Statements(*)	Assets at tax value		
		Total	Secured overdue portfolio	Unsecured overdue portfolio
	MCh$	MCh$	MCh$	MCh$
Commercial loans	14,383,938	14,599,470	81,659	56,707
Consumer loans	2,296,878	2,443,503	-	18,505
Mortgage loans	13,856,640	14,211,891	6,823	21
Total	**30,537,456**	**31,254,864**	**88,482**	**75,233**

Provisions on overdue portfolio as at 12/31/2023

Type of loan	Balance as at December 31, 2022	Write-offs against allowances	Allowances constituted	Released allowances	Balance as at December 31, 2023
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	32,988	(25,504)	83,829	(34,606)	56,707
Consumer loans	13,708	(44,905)	68,646	(18,944)	18,505
Mortgage loans	55	(46)	17	(5)	21
Total	**46,751**	**(70,455)**	**152,492**	**(53,555)**	**75,233**

Direct write/offs and recoveries as at 12/31/2023	**MCh$**
Direct write-offs as per Art. 31 No. 4 second sub-paragraph	141,203
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	49,851

Application of Art. 31 No. 4 first and third sub- paragraphs	**MCh$**
Write-offs per first sub- paragraph	-
Forgiveness per third sub-paragraph	-

(*) In accordance with the abovementioned 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.

Note 19 Other assets

Other assets are detailed as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Assets to assign in financial leasing as lessor	8,846	2,091
Cash guarantees delivered for derivative financial operations	653,581	532,582
Accounts receivable from third parties	127,750	126,575
VAT tax credit receivable	7,994	9,393
Prepaid expenses	15,013	5,688
Income asset from usual activities from contracts with customers	-	482
Other cash collateral provided	6,560	5,990
Outstanding operations	9,500	7,509
Other assets	18,810	18,221
Total other assets	**848,054**	**708,531**

Note 20 Non-current assets and disposal groups held for sale and liabilities included in disposal groups held for sale

a) This line item is detailed as follows:

Concept	12/31/2024 MCh$	12/31/2023 MCh$
Assets received in payment or adjudicated in judicial auction		
Goods received in payment (*)	1,308	264
Assets adjudicated in judicial auction	16,234	16,222
Provisions for goods received in payment or adjudicated in judicial auction	(7)	(19)
Subtotal	**17,535**	**16,467**
Non-current assets held for sale		
Investments in companies	-	-
Intangible assets	-	-
Property and equipment	1,832	2,029
Assets for recovery of goods transferred in financial leasing operations	1,368	1,238
Other assets	-	-
Subtotal	**3,200**	**3,267**
Disposal groups for sale	**-**	**-**
Total non-current assets and disposal groups for sale	**20,735**	**19,734**

(*) 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 0.0236% (0.0057% as at December 31, 2023) of the Bank's effective equity.

As at December 31, 2024 and 2023, the Bank has no liabilities included in disposal groups held for sale.

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

	Assets received in payment or adjudicated in judicial auction	Non-current assets held for sale	Total
	MCh$	MCh$	MCh$
Assets			
Balance as at January 1, 2023	**12,653**	**2,540**	**15,193**
Repossessed assets	21,741	3,379	25,120
Write-offs on goods	(2,622)	(431)	(3,053)
Alienation	(717)	(1,242)	(1,959)
Regularizations	81	23	104
(Constitution)/release	-	(829)	(829)
Sales / disposals	(14,650)	-	(14,650)
Balance as at December 31, 2023	**16,486**	**3,440**	**19,926**
Provisions			
Balance as at January 1, 2023	**(18)**	**(94)**	**(112)**
Provisions constituted	(893)	(215)	(1,108)
Release on provisions	912	136	1,048
Transfers, other movements and exchange differences	(20)	-	(20)
Balance as at December 31, 2023	**(19)**	**(173)**	**(192)**
Net balances as at December 31, 2023	**16,467**	**3,267**	**19,734**
Assets			
Balance as at January 1, 2024	**16,486**	**3,440**	**19,926**
Repossessed assets	28,993	2,866	**31,859**
Write-offs on goods	(5,053)	(51)	**(5,104)**
Alienation	(22,851)	(1,451)	**(24,302)**
Regularizations	(33)	(1,537)	**(1,570)**
Sales / disposals	-	-	**-**
Balance as at December 31, 2024	**17,542**	**3,267**	**20,809**
Provisions			
Balance as at January 1, 2024	**(19)**	**(173)**	**(192)**
Provisions constituted	(93)	(202)	(295)
Release on provisions	105	308	413
Balance as at December 31, 2024	**(7)**	**(67)**	**(74)**
Net balances as at December 31, 2024	**17,535**	**3,200**	**20,735**

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

The detail of this line item is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Derivative instruments		
Forwards	855,719	837,758
Swaps	4,357,998	3,768,639
Call options	542	310
Put options	81	43
Other financial instruments	-	-
Total	**5,214,340**	**4,606,750**

Financial derivative contracts are detailed as follows:

As at December 31, 2024	Notional amounts of contracts with final maturity (1)							
Product	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$	Fair value MCh$
Forward								
Future arbitration	-	593,553	646,348	704,500	142,469	14,255	-	35,969
Paper Forward	-	9,727	-	-	-	-	-	-
Exchange insurance	-	10,155,654	5,031,902	6,034,788	1,624,108	418,138	682,948	366,473
Inflation insurance	-	1,613,177	2,473,006	6,582,022	8,549,597	2,524,091	2,775,524	453,277
Subtotal forward	**-**	**12,372,111**	**8,151,256**	**13,321,310**	**10,316,174**	**2,956,484**	**3,458,472**	**855,719**
Options								
Call option	-	4,196	5,202	-	-	-	-	542
Put option	-	1,228	595	5,885	-	-	-	81
Subtotal options	**-**	**5,424**	**5,797**	**5,885**	**-**	**-**	**-**	**623**
Swap								
Cross currency swap	-	1,011,892	2,336,011	5,735,658	13,065,968	8,802,782	11,831,254	3,035,853
Rate Swap	40,600	15,185,698	15,493,379	30,978,608	33,979,359	20,453,453	23,854,832	1,322,145
Subtotal swap	**40,600**	**16,197,590**	**17,829,390**	**36,714,266**	**47,045,327**	**29,256,235**	**35,686,086**	**4,357,998**
Total	**40,600**	**28,575,125**	**25,986,443**	**50,041,461**	**57,361,501**	**32,212,719**	**39,144,558**	**5,214,340**

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

As at December 31, 2023	Notional amounts of contracts with final maturity (1)							
Producto	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$	Fair value MCh$
Forward								
Future arbitration	-	469,274	684,558	498,664	229,805	17,530	-	26,685
Paper Forward	-	-	-	-	-	-	-	-
Exchange insurance	-	12,664,619	7,165,032	6,463,092	1,719,169	508,657	832,142	474,309
Inflation insurance	-	1,215,589	1,660,201	3,254,867	3,298,199	1,440,015	3,972,265	336,764
Subtotal forward	**-**	**14,349,482**	**9,509,791**	**10,216,623**	**5,247,173**	**1,966,202**	**4,804,407**	**837,758**
Options								
Call option	-	1,122	8,800	9,922	-	-	-	310
Put option	-	1,098	-	-	-	-	-	43
Subtotal options	**-**	**2,220**	**8,800**	**9,922**	**-**	**-**	**-**	**353**
Swap								
Cross currency swap	-	1,120,657	2,098,402	6,479,584	14,643,182	8,215,231	13,510,074	2,490,939
Rate Swap	-	4,782,210	10,090,550	32,661,452	21,343,124	11,915,337	17,034,500	1,277,700
Subtotal swap	**-**	**5,902,867**	**12,188,952**	**39,141,036**	**35,986,306**	**20,130,568**	**30,544,574**	**3,768,639**
Total	**-**	**20,254,569**	**21,707,543**	**49,367,581**	**41,233,479**	**22,096,770**	**35,348,981**	**4,606,750**

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

Note 22 Financial liabilities at amortized cost

The detail of this line item is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Deposits and other on-demand liabilities	5,605,991	4,850,696
Term and on-demand deposits	13,130,590	13,181,368
Liabilities under repurchase agreements and securities lending	501,243	163,647
Bank borrowings	2,455,157	5,368,647
Debt financial instruments issued	8,110,081	8,186,492
Other financial liabilities	199,572	156,392
Total	**30,002,634**	**31,907,242**

a) Deposits and other on demand liabilities

	12/31/2024 MCh$	12/31/2023 MCh$
Checking accounts	4,362,568	3,872,151
Demand deposit accounts	293,755	299,920
Other on-demand deposits	180,764	149,927
Other on-demand obligations		
Obligations for other credits granted to be completed to other banks and/or the beneficiary of the loan	2,365	5,319
Guarantee bills payable at sight	70,149	48,181
Collections performed to be completed	91,081	87,836
Pending payment orders	23,430	13,174
Payments received on account of loans to be settled	24,792	2,775
Immobilized balances article 156 General Banking Law	19,651	19,648
Overdue time deposits	4,669	8,284
Various mortgage creditors	150,475	95,760
Granting of loans Law No. 20027	14	130
Payments to apply	149,557	68,000
Other sight obligations	232,721	179,591
Total	**5,605,991**	**4,850,696**

b) Term and other on-demand deposits

	12/31/2024 MCh$	12/31/2023 MCh$
Term deposits	13,031,191	13,080,930
Term saving accounts	99,399	100,438
Other	-	-
Total	**13,130,590**	**13,181,368**

c) Obligations under repurchase agreements and securities lending

	12/31/2024 MCh$	12/31/2023 MCh$
Operations with banks:		
Repurchase agreements - Banco Central de Chile	-	-
Operations with banks abroad	-	-
Operations with other domestic entities		
Repurchase agreements	500,109	163,647
Securities lending obligations	1,134	-
Operations with other entities abroad	-	-
Total	**501,243**	**163,647**

As at December 31, 2024	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$
Operations with banks								
Repurchase agreements - Banco Central de Chile	-	-	-	-	-	-	-	-
Operations with banks abroad	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase agreements	-	500,109	-	-	-	-	-	500,109
Securities lending obligations	-	1,134	-	-	-	-	-	1,134
Operations with other entities abroad	-	-	-	-	-	-	-	-
Total	**-**	**501,243**	**-**	**-**	**-**	**-**	**-**	**501,243**

As at December 31, 2023	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$
Operations with banks								
Repurchase agreements - Banco Central de Chile	-	-	-	-	-	-	-	-
Operations with banks abroad	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase agreements	52,515	107,601	3,531	-	-	-	-	163,647
Securities lending obligations	-	-	-	-	-	-	-	-
Operations with other entities abroad	-	-	-	-	-	-	-	-
Total	**52,515**	**107,601**	**3,531**	**-**	**-**	**-**	**-**	**163,647**

d) Bank borrowings

	12/31/2024 MCh$	12/31/2023 MCh$
Local Banks		
Foreign trade financing	-	-
Borrowings and other obligations	100,029	-
Banks abroad		
Foreign trade financing	1,373,429	1,386,023
Borrowings and other obligations	981,699	952,598
Banco Central de Chile		
Borrowings and other obligations	-	3,030,026
Total	**2,455,157**	**5,368,647**

The detail of bank borrowings is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Domestic Banks	100,029	-
Banks abroad		
Export Development Canada	857,078	666,457
Scotiabank Caribbean Treasury Ltd	724,533	793,564
Bank of America, N.A.	318,117	201,667
Caixa D'Estalvis	204,631	145,571
HongKong and Shanghai Banking	85,604	143,667
Lloyds TSB Bank PLC	50,293	44,170
Zuercher Kantonalbank	50,091	79,535
Wells Fargo Bank	40,327	44,104
Standard Chartered Bank	24,438	8,115
JP Morgan Chase Bank	-	-
Sumitomo Mitsui Banking	-	60,262
Corporación Andina de Fomento	-	62,531
Citibank N.A.	-	61,626
Other	16	27,352
Banco Central de Chile	-	3,030,026
Total	**2,455,157**	**5,368,647**

Scotiabank

e) Debt securities issued

	12/31/2024 MCh$	12/31/2023 MCh$
Letter of credit (1)	76,339	88,293
Current bonds (2)	8,033,742	8,098,199
Total	**8,110,081**	**8,186,492**

(1) During the year between January 1 and December 31, 2024 and January 1 and December 31, 2023, no new letters of credit have been issued.

(2) During the year between January 1 and December 31, 2024, and January 1 and December 31, 2023, the following domestic and international current bonds have been issued.

Fiscal year between January 1 and December 31, 2024:

Series	Amount	Placement date	Annual issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
AC	5.000.000.000	1/02/24	100.000.000.000	7	6,20	Ch$	6/30/23	6/30/30
AD	5.000.000.000	1/03/24	100.000.000.000	8	6,20	Ch$	6/30/23	6/30/31
BL	30.000	1/03/24	3.000.000	9	2,70	UF	8/01/22	8/01/31
AF	100.000	1/03/24	3.000.000	13	2,90	UF	6/30/23	6/30/36
BY	8.000.000.000	1/04/24	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
AF	50.000	1/04/24	3.000.000	13	2,90	UF	6/30/23	6/30/36
AB	5.000.000.000	1/04/24	100.000.000.000	6	6,20	Ch$	6/30/23	6/30/29
AA	2.000.000.000	1/04/24	100.000.000.000	5	6,20	Ch$	6/30/23	6/30/28
AC	5.000.000.000	1/05/24	100.000.000.000	7	6,20	Ch$	6/30/23	6/30/30
AF	50.000	1/09/24	3.000.000	13	2,90	UF	6/30/23	6/30/36
BI	165.000	1/09/24	4.000.000	9	3,00	UF	3/09/21	3/09/30
BI	200.000	1/10/24	4.000.000	9	3,00	UF	3/09/21	3/09/30
AC	4.000.000.000	1/11/24	100.000.000.000	7	6,20	Ch$	6/30/23	6/30/30
BI	280.000	1/11/24	4.000.000	9	3,00	UF	3/09/21	3/09/30
BH	474.000	1/17/24	4.000.000	8	3,00	UF	3/09/21	3/09/29
CA	338.000	1/24/24	3.000.000	5	2,90	UF	4/01/23	4/01/28
AB	1.000.000.000	1/25/24	100.000.000.000	6	6,20	Ch$	6/30/23	6/30/29
AC	15.000.000.000	1/25/24	100.000.000.000	7	6,20	Ch$	6/30/23	6/30/30
BH	515.000	1/26/24	4.000.000	8	3,00	UF	3/09/21	3/09/29
BH	350.000	1/29/24	4.000.000	8	3,00	UF	3/09/21	3/09/29
AB	7.700.000.000	2/06/24	100.000.000.000	6	6,20	Ch$	6/30/23	6/30/29
BH	75.000	2/06/24	4.000.000	8	3,00	UF	3/09/21	3/09/29
BI	100.000	2/14/24	4.000.000	9	3,00	UF	3/09/21	3/09/30
AE	500.000	2/22/24	3.000.000	11	2,90	UF	6/30/23	6/30/34
BH	315.000	2/22/24	4.000.000	8	3,00	UF	3/09/21	3/09/29
CB	200.000	2/22/24	3.000.000	8	2,90	UF	4/01/23	4/01/31
AA	10.000.000.000	2/23/24	100.000.000.000	5	6,20	Ch$	6/30/23	6/30/28
BY	14.000.000.000	2/29/24	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
BR	10.500.000.000	3/06/24	100.000.000.000	5	8,10	Ch$	8/01/22	8/01/27
CA	425.000	3/12/24	3.000.000	5	2,90	UF	4/01/23	4/01/28
AD	5.000.000.000	3/13/24	100.000.000.000	8	6,20	Ch$	6/30/23	6/30/31
BQ	550.000	3/27/24	3.000.000	5	2,50	UF	8/01/22	8/01/27
CA	360.000	4/03/24	3.000.000	5	2,90	UF	4/01/23	4/01/28
BR	5.500.000.000	4/24/24	100.000.000.000	5	8,10	Ch$	8/01/22	8/01/27
BQ	60.000	5/08/24	3.000.000	5	2,50	UF	8/01/22	8/01/27
BQ	375.000	5/09/24	3.000.000	5	2,50	UF	8/01/22	8/01/27
AA	22.000.000.000	5/22/24	100.000.000.000	5	6,20	Ch$	6/30/23	6/30/28
BO	17.000.000.000	5/22/24	100.000.000.000	6	7,90	Ch$	8/01/22	8/01/28
AA	10.000.000.000	5/23/24	100.000.000.000	5	6,20	Ch$	6/30/23	6/30/28
AB	15.000.000.000	6/10/24	100.000.000.000	6	6,20	Ch$	6/30/23	6/30/29
AB	11.000.000.000	6/12/24	100.000.000.000	6	6,20	Ch$	6/30/23	6/30/29
CA	517.000	6/25/24	3.000.000	5	2,90	UF	4/01/23	4/01/28
AC	500.000	7/23/24	4.000.000	23	4,00	UF	8/01/23	8/01/46
AC	275.000	7/24/24	4.000.000	23	4,00	UF	8/01/23	8/01/46
17	10.000.000	8/27/24	10.000.000	5	5,17	USD	9/04/24	9/04/29
CB	300.000	9/09/24	3.000.000	8	2,90	UF	4/01/23	4/01/31
CB	320.000	9/10/24	3.000.000	8	2,90	UF	4/01/23	4/01/31
BX	250.000	9/23/24	3.000.000	13	2,50	UF	2/01/23	2/01/36
BX	250.000	9/24/24	3.000.000	13	2,50	UF	2/01/23	2/01/36
BY	10.000.000.000	9/24/24	100.000.000.000	4	2,50	Ch$	4/01/23	4/01/27
BU	500.000	9/25/24	3.000.000	10	2,50	UF	2/01/23	2/01/33
BU	560.000	9/26/24	3.000.000	10	2,50	UF	2/01/23	2/01/33
BU	300.000	10/01/24	3.000.000	10	2,50	UF	2/01/23	2/01/33
BX	350.000	10/02/24	3.000.000	13	2,50	UF	2/01/23	2/01/36
AG	10.000.000.000	12/05/24	100.000.000.000	5	6,50	Ch$	5/09/24	5/09/29
19	35.000.000	12/05/24	35.000.000	3	4,53	USD	12/12/24	12/06/27
AL	650.000	12/17/24	3.000.000	13	3,50	UF	5/09/24	11/09/36

Fiscal year between January 1, and December 31, 2023:

Series	Amount	Placement date	Annual issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
BF	5.000.000.000	1/10/23	100.000.000.000	4	2,50	Ch$	12/01/20	12/01/24
BA	300.000	1/13/23	5.000.000	9	0,40	UF	12/09/20	12/09/29
BG	700.000	1/16/23	4.000.000	7	3,00	UF	3/09/21	3/09/28
BI	200.000	1/16/23	4.000.000	9	3,00	UF	3/09/21	3/09/30
BL	520.000	2/08/23	3.000.000	9	2,70	UF	8/01/22	8/01/31
BB	150.000	2/15/23	5.000.000	10	0,40	UF	9/09/20	9/09/30
BG	330.000	2/15/23	4.000.000	7	3,00	UF	3/09/21	3/09/28
BQ	300.000	2/15/23	3.000.000	5	2,50	UF	8/01/22	8/01/27
11	5.000.000.000	2/16/23	5.000.000.000	4	0,90	JPY	3/02/23	3/02/27
BA	500.000	2/24/23	5.000.000	9	0,40	UF	12/09/20	12/09/29
BA	500.000	2/28/23	5.000.000	9	0,40	UF	12/09/20	12/09/29
BH	900.000	3/07/23	4.000.000	8	3,00	UF	3/09/21	3/09/29
BI	100.000	3/13/23	4.000.000	9	3,00	UF	3/09/21	3/09/30
BT	2.000.000	3/15/23	3.000.000	8	2,50	UF	2/01/23	2/01/31
BS	100.000.000.000	3/16/23	100.000.000.000	7	6,10	Ch$	2/01/23	2/01/30
BQ	390.000	4/18/23	3.000.000	5	2,50	UF	8/01/22	8/01/27
BQ	350.000	4/21/23	3.000.000	5	2,50	UF	8/01/22	8/01/27
12	100.000.000	5/02/23	100.000.000	2	2,78	CHF	5/23/23	5/23/25
BQ	325.000	5/05/23	3.000.000	5	2,50	UF	8/01/22	8/01/27
BQ	250.000	5/08/23	3.000.000	5	2,50	UF	8/01/22	8/01/27
BR	10.000.000.000	5/11/23	100.000.000.000	5	8,10	Ch$	8/01/22	8/01/27
13	13.000.000	5/12/23	13.000.000	2	5,09	USD	5/23/23	5/23/25
BR	14.000.000.000	5/16/23	100.000.000.000	5	8,10	Ch$	8/01/22	8/01/27
BH	750.000	5/30/23	4.000.000	8	3,00	UF	3/09/21	3/09/29
14	2.000.000.000	6/01/23	2.000.000.000	1	0,70	JPY	6/12/23	12/12/24
BZ	19.000.000.000	6/05/23	100.000.000.000	6	6,40	Ch$	4/01/23	4/01/29
BX	300.000	6/06/23	3.000.000	13	2,50	UF	2/01/23	2/01/36
BQ	200.000	6/09/23	3.000.000	5	2,50	UF	8/01/22	8/01/27
BW	3.000.000	6/09/23	3.000.000	12	2,50	UF	2/01/23	2/01/35
BZ	3.000.000.000	6/09/23	100.000.000.000	6	6,40	Ch$	4/01/23	4/01/29
BA	1.000.000	6/12/23	5.000.000	9	0,40	UF	12/09/20	12/09/29
BZ	19.000.000.000	6/13/23	100.000.000.000	6	6,40	Ch$	4/01/23	4/01/29
BA	60.000	6/14/23	5.000.000	9	0,40	UF	12/09/20	12/09/29
BL	30.000	6/14/23	3.000.000	9	2,70	UF	8/01/22	8/01/31
BT	370.000	6/14/23	3.000.000	8	2,50	UF	2/01/23	2/01/31
BL	250.000	6/15/23	3.000.000	9	2,70	UF	8/01/22	8/01/31
BX	150.000	6/15/23	3.000.000	13	2,50	UF	2/01/23	2/01/36
BZ	10.000.000.000	6/20/23	100.000.000.000	6	6,40	Ch$	4/01/23	4/01/29
BZ	40.000.000.000	6/22/23	100.000.000.000	6	6,40	Ch$	4/01/23	4/01/29
BZ	7.000.000.000	6/23/23	100.000.000.000	6	6,40	Ch$	4/01/23	4/01/29
15	5.000.000.000	6/27/23	5.000.000.000	2	0,75	JPY	7/11/23	7/11/25
BM	925.000	6/29/23	3.000.000	8	2,70	UF	8/01/22	8/01/30
BY	9.000.000.000	7/03/23	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
BM	520.000	7/04/23	3.000.000	8	2,70	UF	8/01/22	8/01/30
CB	320.000	7/05/23	3.000.000	8	2,90	UF	4/01/23	4/01/31
BF	33.000.000.000	7/12/23	100.000.000.000	4	2,50	Ch$	12/01/20	12/01/24
BA	240.000	7/12/23	5.000.000	9	0,40	UF	12/09/20	12/09/29
BL	50.000	7/12/23	3.000.000	9	2,70	UF	8/01/22	8/01/31
BY	2.000.000.000	7/12/23	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
BZ	2.000.000.000	7/12/23	100.000.000.000	6	6,40	Ch$	4/01/23	4/01/29
BV	3.000.000	7/13/23	3.000.000	11	2,50	UF	2/01/23	2/01/34
BT	500.000	7/17/23	3.000.000	8	2,50	UF	2/01/23	2/01/31
BX	300.000	8/04/23	3.000.000	13	2,50	UF	2/01/23	2/01/36
BM	230.000	8/07/23	3.000.000	8	2,70	UF	8/01/22	8/01/30
CB	100.000	8/18/23	3.000.000	8	2,90	UF	4/01/23	4/01/31
BT	130.000	8/23/23	3.000.000	8	2,50	UF	2/01/23	2/01/31
BL	220.000	8/24/23	3.000.000	9	2,70	UF	8/01/22	8/01/31
BX	300.000	8/24/23	3.000.000	13	2,50	UF	2/01/23	2/01/36
BY	5.000.000.000	8/29/23	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
BH	35.000	9/04/23	4.000.000	8	3,00	UF	3/09/21	3/09/29
CA	695.000	9/04/23	3.000.000	5	2,90	UF	4/01/23	4/01/28
BX	100.000	9/22/23	3.000.000	13	2,50	UF	2/01/23	2/01/36
BH	170.000	10/13/23	4.000.000	6	3,00	UF	3/09/23	3/09/29
CB	200.000	11/15/23	3.000.000	8	2,90	UF	4/01/23	4/01/31
CB	135.000	11/21/23	3.000.000	8	2,90	UF	4/01/23	4/01/31
BM	250.000	11/23/23	3.000.000	8	2,70	UF	8/01/22	8/01/30
AB	10.500.000.000	11/24/23	100.000.000.000	6	6,20	Ch$	6/30/23	6/30/29
16	20.000.000	11/30/23	20.000.000	2	5,50	USD	12/12/23	12/12/25
AC	15.000.000.000	12/04/23	100.000.000.000	7	6,20	Ch$	6/30/23	6/30/30
BM	100.000	12/12/23	3.000.000	8	2,70	UF	8/01/22	8/01/30
CA	665.000	12/12/23	3.000.000	5	2,90	UF	4/01/23	4/01/28
BY	9.000.000.000	12/18/23	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
AA	6.000.000.000	12/20/23	100.000.000.000	5	6,20	Ch$	6/30/23	6/30/28
AC	2.000.000.000	12/20/23	100.000.000.000	7	6,20	Ch$	6/30/23	6/30/30
BY	11.000.000.000	12/21/23	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
BY	7.000.000.000	12/27/23	100.000.000.000	4	6,40	Ch$	4/01/23	4/01/27
AC	5.000.000.000	12/27/23	100.000.000.000	7	6,20	Ch$	6/30/23	6/30/30
BX	50.000	12/28/23	3.000.000	13	2,50	UF	2/01/23	2/01/36
AB	7.000.000.000	12/28/23	100.000.000.000	6	6,20	Ch$	6/30/23	6/30/29

f) Other financial liabilities

	12/31/2024 MCh$	12/31/2023 MCh$
Other financial obligations with the public sector	-	-
Other financial obligations in the country		
Due to affiliated establishments for the use of credit cards	124	401
Due to operators for debit and credit card operation services	125,817	123,266
Obligations in favor of Chilean exporters	1,565	12,518
Other financial obligations abroad		
Obligations in favor of foreign exporters	72,066	20,207
Total	**199,572**	**156,392**

Note 23 Regulatory capital financial instruments issued

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

	12/31/2024 MCh$	12/31/2023 MCh$
Subordinated bonds	1,257,573	1,201,214
Bonds with no fixed term of maturity	696,318	-
Preferred shares	-	-
Total	**1,953,891**	**1,201,214**

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

	Subordinated bonds	Bonds with no fixed term of maturity	Preferred shares
Balance as at January 1, 2024	1,201,214	-	-
New issues performed	31,199	696,318	-
Acquisition or redemption by the issuer	-	-	-
Modification of issuance conditions	-	-	-
Payments of interest to the holder	(45,322)	-	-
Principal payment to the holder	(26,712)	-	-
Accrued interest	44,534	-	-
Adjustments accrued by the UF and/or the exchange rate	52,660	-	-
Exchange differences	-	-	-
Depreciation	-	-	-
Repricing	-	-	-
Expiration	-	-	-
Conversion to common shares	-	-	-
Other	-	-	-
Balance as at December 31, 2024	**1,257,573**	**696,318**	**-**

	Subordinated bonds	Bonds with no fixed term of maturity	Preferred shares
Balance as at January 1, 2023	987,943	-	-
New issues performed	138,504	-	-
Acquisition or redemption by the issuer	-	-	-
Modification of issuance conditions	-	-	-
Payments of interest to the holder	(91,356)	-	-
Principal payment to the holder	(25,078)	-	-
Accrued interest	133,131	-	-
Adjustments accrued by the UF and/or the exchange rate	58,070	-	-
Exchange differences	-	-	-
Depreciation	-	-	-
Repricing	-	-	-
Expiration	-	-	-
Conversion to common shares	-	-	-
Other	-	-	-
Balance as at December 31, 2023	**1,201,214**	**-**	**-**

c) The detail of subordinated bonds is as follows:

Fiscal year ended as at December 31, 2024								
Series	Amount in issue currency	Issuance term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh$
UDESE20999	70,000	26	6.25	UF	8/16/00	9/01/25	7,274	279
UDESE30999	200,000	28	6.50	UF	6/05/02	9/01/27	58,181	2,235
UBBV-A1203	1,300,000	24	6.00	UF	4/01/04	12/01/27	280,718	10,784
UBBV-A1203	1,500,000	24	6.00	UF	4/01/04	12/01/27	327,291	12,573
UBBV-A1203	20,000	24	6.00	UF	4/01/04	12/01/27	4,372	168
UBBV-A1203	250,000	24	6.00	UF	4/01/04	12/01/27	54,648	2,099
UBBV-A1203	50,000	24	6.00	UF	4/01/04	12/01/27	10,913	419
UBBV-A1203	180,000	24	6.00	UF	4/01/04	12/01/27	39,287	1,509
UBBV-A1203	1,250,000	24	6.00	UF	4/01/04	12/01/27	272,536	10,470
UBBV-A1203	150,000	24	6.00	UF	4/01/04	12/01/27	32,824	1,261
UBBV-A1203	50,000	24	6.00	UF	4/01/04	12/01/27	10,946	421
UBBV-A1203	50,000	24	6.00	UF	4/01/04	12/01/27	10,943	420
UBBV-A1203	100,000	24	6.00	UF	4/01/04	12/01/27	21,876	840
UBBV-A1203	60,000	24	6.00	UF	4/01/04	12/01/27	13,129	504
UBBV-A1203	40,000	24	6.00	UF	4/01/04	12/01/27	8,756	336
UBBV-A1203	150,000	24	6.00	UF	4/01/04	12/01/27	32,764	1,259
UBBV-A1203	200,000	24	6.00	UF	4/01/04	12/01/27	43,678	1,678
UBBV-A1203	150,000	24	6.00	UF	4/01/04	12/01/27	32,734	1,258
UBBV-A1203	500,000	24	6.00	UF	4/01/04	12/01/27	109,048	4,189
UDES-F	500,000	25	6.00	UF	3/30/05	10/01/29	217,922	8,372
UDES-F	500,000	25	6.00	UF	3/30/05	10/01/29	217,776	8,366
UDES-G	1,000,000	26	4.75	UF	10/07/05	10/01/30	503,661	19,349
UDESH-1006	1,000,000	25	5.00	UF	10/05/06	10/01/31	666,148	25,591
UBBV-G0506	2,400,000	25	5.00	UF	10/19/06	5/01/31	2,528,436	97,134
UBBV-G0506	1,000,000	25	5.00	UF	10/19/06	5/01/31	1,056,299	40,580
UDES-I0307	1,000,000	25	4.50	UF	3/15/07	3/01/32	1,030,743	39,598
UBBVH90607	900,000	25	3.50	UF	10/24/08	6/01/32	794,561	30,524
UBBVH90607	500,000	25	3.50	UF	10/24/08	6/01/32	441,969	16,979
UBBVH90607	1,000,000	25	3.50	UF	10/24/08	6/01/32	981,919	37,722
UBBVH90607	5,600,000	25	3.50	UF	10/24/08	6/01/32	5,502,235	211,378
UBNS-AC0615	3,000,000	20	3.10	UF	8/27/15	6/01/35	3,009,307	115,608
UBNS-AA0215	1,000,000	30	3.50	UF	12/07/18	2/01/45	1,125,900	43,253
UBBVS10616	1,000,000	25	3.50	UF	8/21/19	6/09/41	1,366,967	52,514
UBBVS10616	1,000,000	25	3.50	UF	8/21/19	6/09/41	1,368,764	52,583
UBNSAQ1119	1,000,000	23	3.50	UF	7/11/22	11/01/42	1,111,983	42,719
UBNSAQ1119	200,000	23	3.50	UF	7/15/22	11/01/42	220,930	8,487
UBNSAQ1119	350,000	23	3.50	UF	7/15/22	11/01/42	386,628	14,853
UBNSAQ1119	550,000	23	3.50	UF	7/15/22	11/01/42	607,558	23,340
UBNSAQ1119	1,900,000	23	3.50	UF	7/15/22	11/01/42	2,098,838	80,630
UBNSAA0822	70,000	23	2.80	UF	10/16/23	8/01/45	61,776	2,373
UBNSAA0822	30,000	23	2.80	UF	10/16/23	8/01/45	26,194	1,006
UBNSAA0822	70,000	23	2.80	UF	10/16/23	8/01/45	62,080	2,385
UBNSAA0822	150,000	23	2.80	UF	10/16/23	8/01/45	133,028	5,111
UBNSAA0822	500,000	23	2.80	UF	10/16/23	8/01/45	443,427	17,035
UBNSAA0822	20,000	23	2.80	UF	10/17/23	8/01/45	17,737	681
UBNSAB0822	30,000	21	2.80	UF	11/09/23	8/01/43	25,554	982
UBNSAB0822	170,000	21	2.80	UF	11/09/23	8/01/43	147,131	5,652
UBNSAB0822	25,000	21	2.80	UF	11/09/23	8/01/43	21,637	831
UBNSAB0822	75,000	21	2.80	UF	11/09/23	8/01/43	64,911	2,494
UBNSAB0822	400,000	21	2.80	UF	11/09/23	8/01/43	346,191	13,300
UBNSAB0822	1,000,000	21	2.80	UF	11/09/23	8/01/43	865,478	33,249
UBNSAB0822	300,000	21	2.80	UF	11/16/23	8/01/43	265,692	10,207
UBNSAA0822	60,000	23	2.80	UF	11/27/23	8/01/45	53,289	2,047
UBNSAA0822	700,000	23	2.80	UF	11/27/23	8/01/45	621,709	23,885
UBNSAA0822	700,000	23	2.80	UF	11/27/23	8/01/45	621,709	23,885
UBNSAA0822	700,000	23	2.80	UF	11/27/23	8/01/45	621,709	23,885
UBNSAB0822	300,000	21	2.80	UF	12/06/23	8/01/43	269,333	10,348
UBNSAB0822	400,000	21	2.80	UF	12/06/23	8/01/43	359,111	13,796
UBNSAB0822	300,000	21	2.80	UF	12/06/23	8/01/43	269,333	10,347
UBNSAC0823	500,000	23	4.00	UF	7/23/24	8/01/46	532,845	20,470
UBNSAC0823	200,000	23	4.00	UF	7/24/24	8/01/46	214,344	8,234
UBNSAC0823	75,000	23	4.00	UF	7/24/24	8/01/46	80,379	3,088
							Total	**1,257,573**

Fiscal year ended as at December 31, 2023								
Series	Amount in issue currency	Issuance term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh$
UDESE10999	30,000	25	6.00	UF	9/29/99	3/01/24	2,938	108
UDESE10999	270,000	25	6.00	UF	9/29/99	3/01/24	26,470	974
UDESE10999	10,000	25	6.00	UF	10/21/99	3/01/24	980	36
UDESE10999	30,000	25	6.00	UF	11/04/99	3/01/24	2,941	108
UDESE10999	20,000	25	6.00	UF	11/08/99	3/01/24	1,958	72
UDESE20999	70,000	26	6.25	UF	8/16/00	9/01/25	13,956	513
UDESE30999	200,000	28	6.50	UF	6/05/02	9/01/27	74,462	2,739
UBBV-A1203	20,000	24	6.00	UF	4/01/04	12/01/27	5,853	215
UBBV-A1203	40,000	24	6.00	UF	4/01/04	12/01/27	11,726	431
UBBV-A1203	50,000	24	6.00	UF	4/01/04	12/01/27	14,660	539
UBBV-A1203	50,000	24	6.00	UF	4/01/04	12/01/27	14,654	539
UBBV-A1203	50,000	24	6.00	UF	4/01/04	12/01/27	14,603	537
UBBV-A1203	60,000	24	6.00	UF	4/01/04	12/01/27	17,582	647
UBBV-A1203	100,000	24	6.00	UF	4/01/04	12/01/27	29,292	1,078
UBBV-A1203	150,000	24	6.00	UF	4/01/04	12/01/27	43,955	1,617
UBBV-A1203	150,000	24	6.00	UF	4/01/04	12/01/27	43,801	1,611
UBBV-A1203	150,000	24	6.00	UF	4/01/04	12/01/27	43,852	1,613
UBBV-A1203	180,000	24	6.00	UF	4/01/04	12/01/27	52,572	1,934
UBBV-A1203	200,000	24	6.00	UF	4/01/04	12/01/27	58,459	2,151
UBBV-A1203	250,000	24	6.00	UF	4/01/04	12/01/27	73,158	2,691
UBBV-A1203	500,000	24	6.00	UF	4/01/04	12/01/27	145,892	5,367
UBBV-A1203	1,250,000	24	6.00	UF	4/01/04	12/01/27	364,588	13,413
UBBV-A1203	1,300,000	24	6.00	UF	4/01/04	12/01/27	374,527	13,779
UBBV-A1203	1,500,000	24	6.00	UF	4/01/04	12/01/27	437,929	16,111
UDES-F	500,000	25	6.00	UF	3/30/05	10/01/29	253,894	9,341
UDES-F	500,000	25	6.00	UF	3/30/05	10/01/29	253,692	9,333
UDES-G	1,000,000	26	4.75	UF	10/07/05	10/01/30	573,508	21,073
UDESH-1006	1,000,000	25	5.00	UF	10/05/06	10/01/31	747,330	27,400
UBBV-G0506	1,000,000	25	5.00	UF	10/19/06	5/01/31	1,062,727	39,097
UBBV-G0506	2,400,000	25	5.00	UF	10/19/06	5/01/31	2,542,926	93,553
UDES-I0307	1,000,000	25	4.50	UF	3/15/07	3/01/32	1,038,290	38,021
UBBVH90607	500,000	25	3.50	UF	10/24/08	6/01/32	435,565	16,024
UBBVH90607	900,000	25	3.50	UF	10/24/08	6/01/32	782,939	28,804
UBBVH90607	1,000,000	25	3.50	UF	10/24/08	6/01/32	979,439	36,033
UBBVH90607	5,600,000	25	3.50	UF	10/24/08	6/01/32	5,488,741	201,927
UBNS-AC0615	3,000,000	20	3.10	UF	8/27/15	6/01/35	3,013,821	110,697
UBNS-AA0215	1,000,000	30	3.50	UF	12/07/18	8/01/44	1,129,936	41,570
UBBVS10616	1,000,000	25	3.50	UF	8/21/19	6/09/41	1,389,088	51,104
UBBVS10616	1,000,000	25	3.50	UF	8/21/19	6/09/41	1,387,171	51,033
UBNSAQ1119	1,000,000	23	3.50	UF	7/11/22	11/01/42	1,116,482	41,075
UBNSAQ1119	200,000	23	3.50	UF	7/15/22	11/01/42	221,763	8,158
UBNSAQ1119	350,000	23	3.50	UF	7/15/22	11/01/42	388,085	14,277
UBNSAQ1119	550,000	23	3.50	UF	7/15/22	11/01/42	609,848	22,434
UBNSAQ1119	1,900,000	23	3.50	UF	7/15/22	11/01/42	2,106,747	77,506
UBNSAA0822	820,000	22	2.80	UF	10/16/23	8/01/45	723,885	26,631
UBNSAA0822	20,000	22	2.80	UF	10/17/23	8/01/45	17,656	651
UBNSAB0822	1,700,000	20	2.80	UF	11/09/23	8/01/43	1,462,237	53,795
UBNSAB0822	300,000	20	2.80	UF	11/16/23	8/01/43	264,284	9,724
UBNSAA0822	2,160,000	22	2.80	UF	11/27/23	8/01/45	1,909,710	70,258
UBNSAB0822	1,000,000	20	2.80	UF	12/06/23	8/01/43	893,489	32,872
							Total	**1,201,214**

d) The detail of the bonds with no fixed maturity date is as follows:

Bonds with no fixed term of maturity Year ended as at December 31, 2024					
Amount in issue currency	Issue date	Average rate	Currency	Balance due in the currency of issue	Equivalent balance owed in MCh$
700,000,000	11/26/24	6.94	USD	700,000,000	696,318

Note 24 Provisions for contingencies

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

	12/31/2024 MCh$	12/31/2023 MCh$
Provisions for employee benefit obligations	32,158	35,565
Provisions of a foreign bank branch for remittances of profits to its parent company	-	-
Provisions for restructuring plans	-	5,221
Provisions for trials and litigation (1)	7,067	10,574
Provisions for loyalty program obligations and customer merits	-	-
Provisions for operational risk	601	-
Contract contingency provision (2)	842	789
Other provisions due to other contingencies	3,032	3,125
Total	**43,700**	**55,274**

(1) The detail of provisions for lawsuits and litigation is included in Note 29 "Contingencies and commitments."
(2) Relates to the provision for methodical savings contracts of the subsidiary Scotia Azul Sociedad de Leasing Inmobiliario S.A. and the Bank's lease contract transactions.

b) The detail of provisions is as follows:

	Provisions due to employee benefit obligations MCh$	Provisions of a foreign bank branch for remittances of profits to its parent company MCh$	Provisions due to restructuring plans MCh$	Provisions due to trials and litigation MCh$	Provisions due to customer loyalty program obligations MCh$	Provisions due to operational risk MCh$	Other provisions for other contingencies MCh$	Total MCh$
Balance as at January 1, 2024	35,565	-	5,221	10,574	-	-	3,914	55,274
Provisions constituted	82,796	-	-	212	-	601	69	83,678
Provision application	(86,203)	-	(5,221)	(3,719)	-	-	(109)	(95,252)
Provisions releases	-	-	-	-	-	-	-	-
Balance as at December 31, 2024	**32,158**	**-**	**-**	**7,067**	**-**	**601**	**3,874**	**43,700**

	Provisions due to employee benefit obligations MCh$	Provisions of a foreign bank branch for remittances of profits to its parent company MCh$	Provisions due to restructuring plans MCh$	Provisions due to trials and litigation MCh$	Provisions due to customer loyalty program obligations MCh$	Provisions due to operational risk MCh$	Other provisions for other contingencies MCh$	Total MCh$
Balance as at January 1, 2023	30,618	-	-	12,152	-	1,030	6,091	49,891
Provisions constituted	96,258	-	6,172	140	-	-	-	102,570
Provision application	(91,311)	-	(951)	(1,718)	-	-	-	(93,980)
Provisions releases	-	-	-	-	-	(1,030)	(2,177)	(3,207)
Balance as at December 31, 2023	**35,565**	**-**	**5,221**	**10,574**	**-**	**-**	**3,914**	**55,274**

c) Details of provisions for employee benefits and salaries:

	12/31/2024 MCh$	12/31/2023 MCh$
Provision of short-term employee benefits	28,796	32,950
Provision of benefits to employees post-employment	-	-
Provision of long-term employee benefits (1)	2,487	1,993
Provision of benefits to employees for termination of employment contract (2)	875	622
Provision for payments to employees based on shares or equity instruments	-	-
Provision obligations post-employment plans on defined contribution	-	-
Provision of defined benefit post-employment plan obligations	-	-
Provision for other staff obligations	-	-
Total	**32,158**	**35,565**

(1) As at December 31, 2024, a provision of MCh$1,131 has been recorded to cover long-term benefits other than those subject to actuarial calculation (MCh$770 as at December 31, 2023). Provisions subject to actuarial calculation are described in letter d).

(2) As at December 31, 2024, a provision of MCh$94 has been recorded to cover severance indemnity payments other than those subject to actuarial calculation (MCh$11 as at December 31, 2023). Provisions subject to actuarial calculation are described in letter d).

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

	As at December 31, 2024		As at December 31, 2023	
	Provision of long-term employee benefits MCh$	Provision of benefits to employees for termination of employment contract MCh$	Provision of long-term employee benefits MCh$	Provision of benefits to employees for termination of employment contract MCh$
Balance as at January 1	1,223	611	1,051	658
Included in the result of the period				
Cost of present service	119	34	120	35
Costs of past services	37	12	122	(15)
Interest cost	121	63	145	85
Result from actuarial measurements	48	-	(23)	-
Unprovisioned paid benefits	-	-	-	-
Subtotal	**325**	**109**	**364**	**105**
Included in other comprehensive income				
Result from actuarial measurements	-	227	-	64
Subtotal	**-**	**227**	**-**	**64**
Other:				
Payment of benefits	(192)	(166)	(192)	(216)
Subtotal	**(192)**	**(166)**	**(192)**	**(216)**
Total	**1,356**	**781**	**1,223**	**611**

e) Actuarial assumptions for employee benefits

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

	Provision of long-term employee benefits		Provision of benefits to employees for termination of employment contract	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Discount rate	6.50%	11.75%	6.50%	11.75%
Salary increase rate	N/A	N/A	6.00%	9.50%
Rate of inflation	4.00%	7.50%	4.00%	7.50%

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

	Provision of long-term employee benefits		Provision of benefits to employees for termination of employment contract	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Discount rate	6.50%	14.00%	6.50%	14.00%
Salary increase rate	N/A	N/A	6.00%	13.50%
Rate of inflation	4.00%	11.50%	4.00%	11.50%

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

	As at December 31, 2024						As at December 31, 2023					
	Mortality		Rotation		Retirement		Mortality		Rotation		Retirement	
Years	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					
	As at December 31, 2024			As at December 31, 2023			As at December 31, 2024			As at December 31, 2023		
	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP
Discount rate sensitivity	1,385	1,356	1,326	1,251	1,223	1,196	804	781	756	630	611	592
	30	-	(29)	28	-	(27)	24	-	(24)	19	-	(19)

	-50BP	Original	+50BP	-50BP	Original	+50BP	-50BP	Original	+50BP	-50BP	Original	+50BP
Salary sensitivity	N/A	1,356	N/A	N/A	1,223	N/A	761	781	798	596	611	625
	-		-	-	-	-	(18)	-	18	(15)	-	14

Note 25 Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments

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

	12/31/2024 MCh$	12/31/2023 MCh$
Provisions for dividends		
Provision for payment of common shares dividends	129,884	122,388
Provision for payment of preferred shares dividends	-	-
Provision for payment of interest on bonds without a fixed maturity term	3,775	-
Provision for reappreciation of bonds with no fixed term to maturity	-	-
Total	**133,659**	**122,388**

b) The detail of provisions is as follows:

	Payment of interest and repricing of regulatory capital financial instruments issued MCh$	Provision for payment of common shares dividends MCh$	Provision for payment of dividends on preferred shares MCh$	Provision for payment of interest on bonds with no fixed term of maturity MCh$	Provision for repricing of bonds with no fixed term of maturity MCh$	Total MCh$
Opening balances as at January 1, 2024	**-**	**122,388**	**-**	**-**	**-**	**122,388**
Provisions constituted	-	129,884	-	3,775	-	**133,659**
Provision application	-	(122,388)	-	-	-	**(122,388)**
Provisions releases	-	-	-	-	-	**-**
Balance as at December 31, 2024	**-**	**129,884**	**-**	**3,775**	**-**	**133,659**

	Payment of interest and repricing of regulatory capital financial instruments issued MCh$	Provision for payment of common shares dividends MCh$	Provision for payment of dividends on preferred shares MCh$	Provision for payment of interest on bonds with no fixed term of maturity MCh$	Provision for repricing of bonds with no fixed term of maturity MCh$	Total MCh$
Opening balances as at January 1, 2023	-	146,260	-	-	-	146,260
Provisions constituted	-	122,388	-	-	-	122,388
Provision application	-	(146,260)	-	-	-	(146,260)
Provisions releases	-	-	-	-	-	-
Balance as at December 31, 2023	**-**	**122,388**	**-**	**-**	**-**	**122,388**

Note 26 Special allowances for credit losses

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

	12/31/2024 MCh$	12/31/2023 MCh$
Allowances due to credit risk for contingent loans	25,617	27,205
Allowances due to country risk on operations with debtors domiciled abroad	2,472	1,681
Special allowances due to loans abroad	-	-
Additional allowances due to commercial loans	87,715	87,715
Additional allowances due to mortgage loans	23,562	23,562
Additional allowances due to consumer loans	52,971	52,971
Allowances due to adjustments to the minimum provision required for normal portfolio with individual evaluation	-	-
Allowances constituted for credit risk as a result of complementary prudential requirements	-	-
Total	**192,337**	**193,134**

b) The detail of these allowances is as follows:

	Allowances due to credit risk for contingent loan 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, 2024	27,205	1,681	-	164,248	-	-	193,134
Provisions constituted	8,582	1,181	-	-	-	-	9,763
Provision application	-	-	-	-	-	-	-
Provisions releases	(11,627)	(390)	-	-	-	-	(12,017)
Exchange rate effect on allowances	1,457	-	-	-	-	-	1,457
Balance as at December 31, 2024	**25,617**	**2,472**	**-**	**164,248**	**-**	**-**	**192,337**

	Allowances due to credit risk for contingent loan MCh$	Allowances due to country risk on operations with debtors domiciled abroad MCh$	Special allowances due to loans abroad MCh$	Additional allowances for loans MCh$	Allowances for adjustments to the minimum provision required for normal portfolio with individual evaluation MCh$	Allowances constituted for credit risk as a result of complementary prudential requirements MCh$	Total MCh$
Balance as at January 1, 2023	25,495	1,513	-	164,248	-	-	191,256
Provisions constituted	12,536	1,261	-	-	-	-	13,797
Provision application	-	-	-	-	-	-	-
Provisions releases	(11,237)	(1,093)	-	-	-	-	(12,330)
Exchange rate effect on allowances	411	-	-	-	-	-	411
Balance as at December 31, 2023	**27,205**	**1,681**	**-**	**164,248**	**-**	**-**	**193,134**

Note 27 Other liabilities

The detail of other liabilities is as follows:

Concept	12/31/2024 MCh$	12/31/2023 MCh$
Cash guarantees received due to derivative financial operations	710,898	843,959
Creditors due to intermediation of financial instruments	-	-
Accounts payable to third parties	176,960	107,790
Accounts payable by bank subsidiaries (applies only at the individual level of the bank subsidiary)	-	-
Agreed dividends payable	232	278
Valuation adjustments for macro hedges	-	-
Liability for income from regular activities due to contracts with customers	75,402	79,434
VAT fiscal debit payable	12,094	9,957
Other cash guarantees received	17	16
Outstanding operations	5,203	3,435
Other liabilities	1,707	5,279
Total other liabilities	**982,513**	**1,050,148**

Note 28 Equity

a) Distribution of shares

As at December 31, 2024 and 2023, the Bank's authorized capital is composed of 12,244,885,748 registered, single series shares with no par value, all of them subscribed and fully-paid.

	As at 12/31/2024	As at 12/31/2023
Number of shares	12,244,885,748	12,244,885,748
Issuance of paid shares	-	-
Issuance of subscribed and unpaid shares	-	-
Issued shares	**12,244,885,748**	**12,244,885,748**

As at December 31, 2024 and 2023, the Bank or subsidiaries included in consolidation do not hold treasury shares.

As at December 31, 2024 and 2023, the distribution of shares is as follows:

Name of shareholder or Company name	As at December 31, 2024		As at December 31, 2023	
	Number of shares	Ownership %	Number of shares	Ownership %
Nova Scotia Inversiones Ltda.	12,219,875,618	99.80%	12,219,875,618	99.80%
Other minority shareholders	25,010,130	0.20%	25,010,130	0.20%
Total	**12,244,885,748**	**100.00%**	**12,244,885,748**	**100.00%**

b) Capital increases

During the period between January 1 and December 31, 2024 and January 1 and December 31, 2023, there were no capital increases.

c) Dividends paid and reserves

At the Ordinary Shareholders' Meeting of Scotiabank Chile held on March 28, 2024, the shareholders agreed to distribute 30% of the profit for 2023 totaling MCh$122,388 equivalent to a dividend of Ch$9.99505 per share and allocate the remainder to the reserve fund for undistributed profits.

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

d) Earnings per share

Basic earnings per share:
It is calculated by dividing the profit or loss for the year, less preference shares, by the weighted average number of ordinary and investment shares outstanding during the year.

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

As at December 31, 2024 and 2023, the detail of diluted earnings and basic earnings is as follows:

	Balance as at 12/31/2024	Balance as at 12/31/2023
Result attributable to the owners of the Bank (MCh$)	432,944	407,961
Weighted average number of shares	12,244,885,748	12,244,885,748
Earning per share (in Chilean pesos)	**35.36**	**33.32**

As at December 31, 2024 and 2023, the Bank does not have instruments generating dilutive effects.

e) Provision for payment of interest of bonds with no fixed maturity date

The Bank records the accrual of interest on bonds with no fixed maturity period in the provisions for dividends, payment of interest and reappreciation of regulatory capital financial instruments issued, in accordance with the instructions issued by the CMF for this type of instruments. As at December 31, 2024 and 2023, the equity effect on this item amounts to MCh$2,901 and MCh$0, respectively.

f) Other comprehensive income:

The detail of other comprehensive income is as follows:

Sources of changes in Accumulated Other Comprehensive Income (MCh$)	Items that will not be reclassified in income				Items that can be reclassified in income							
	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
Opening balances as at January 1, 2024	**(55)**	**5,084**	**15**	**5,044**	**(116,742)**	**-**	**-**	**60,666**	**(33)**	**(72)**	**14,988**	**(41,193)**
Income (loss) for the period	-	-	-	**-**	-	-	-	-	-	-	-	**-**
Other comprehensive income for the period	(227)	341	61	**175**	34,069	-	-	(81,903)	-	46	12,903	**(34,885)**
Closing balances as at December 31, 2024	**(282)**	**5,425**	**76**	**5,219**	**(82,673)**	**-**	**-**	**(21,237)**	**(33)**	**(26)**	**27,891**	**(76,078)**
Opening balances as at January 1, 2023	**9**	**2,581**	**(2)**	**2,588**	**(160,869)**	**-**	**-**	**(33,995)**	**(33)**	**(328)**	**52,999**	**(142,226)**
Income (loss) for the period	-	-	-	**-**	-	-	-	-	-	-	-	**-**
Other comprehensive income for the period	(64)	2,503	17	**2,456**	44,127	-	-	94,661	-	256	(38,011)	**101,033**
Closing balances as at December 31, 2023	**(55)**	**5,084**	**15**	**5,044**	**(116,742)**	**-**	**-**	**60,666**	**(33)**	**(72)**	**14,988**	**(41,193)**

g) Accounting equity

Accounting equity is detailed as follows:

	12/31/2024 MCh$	12/31/2023 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		
Reserves not related to earnings	17,019	17,019
Reserves from earnings	364,386	364,386
Reserves for depreciation of bonds without a fixed maturity term	-	-
Reserves for expiration of bonds without a fixed maturity term	-	-
Accumulated Other Comprehensive Income		
Items that will not be reclassified in results		
New measurements of the liability (asset) for net defined benefits and actuarial results for other employee benefit plans	(282)	(55)
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income	5,425	5,084
Changes in the fair value of financial liabilities designated at fair value with changes in 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	76	15
Items that can be reclassified in results		
Fair value changes of financial assets at fair value through other comprehensive income	(60,060)	(84,897)
Translation differences by entities abroad	-	-
Cash flow hedge accounting	(15,953)	43,815
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	(28)	(74)
Retained earnings from previous periods	1,722,476	1,436,903
Profit (loss) for the period	432,944	407,961
Provision for minimum dividends, payment of interest and revaluation of issued regulatory capital financial instruments	(132,784)	(122,388)
Provision of a foreign bank branch for remittances of profits to its parent company	-	-
Owner´s equity	3,701,607	3,436,157
From Non-controlling interest	145,734	138,821
Total Equity	**3,847,341**	**3,574,978**

h) Non-controlling interests

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

As at December 31, 2024	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%	129,696	15,586	(515)
CAT Corredores de Seguros y Servicios S.A.	49.00%	6,211	3,373	(8,117)
Servicios Integrales S.A.	49.00%	1,175	555	(1,686)
Administradora y Procesos S.A.	49.00%	7,593	4,702	(7,069)
Scotia Corredora de Bolsa Chile Limitada	0.01%	10	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	11	-	-
Scotia Asesorías Financieras Ltda.	1.26%	120	88	(79)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	918	74	-
Total		**145,734**	**24,379**	**(17,466)**

As at December 31, 2023	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%	114,625	515	(7,212)
CAT Corredores de Seguros y Servicios S.A.	49.00%	10,955	3,324	(1,067)
Servicios Integrales S.A.	49.00%	2,306	580	(497)
Administradora y Procesos S.A.	49.00%	9,960	4,025	(1,056)
Scotia Corredora de Bolsa Chile Limitada	0.01%	9	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	11	1	-
Scotia Asesorías Financieras Ltda.	1.26%	111	79	(174)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	844	79	-
Total		**138,821**	**8,604**	**(10,006)**

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

As at December 31, 2024	Income (loss) for the period MCh$	Total assets MCh$	Total liabilities MCh$
CAT Administradora de Tarjetas S.A.	31,809	2,007,721	1,755,759
CAT Corredores de Seguros y Servicios S.A.	6,884	38,721	28,799
Servicios Integrales S.A.	1,133	4,363	2,418
Administradora y Procesos S.A	9,595	20,760	9,102
Bandesarrollo Leasing Inmobiliario S.A.	207	16,362	4,884
Scotia Asesorías Financieras Ltda	6,961	12,071	2,497
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2,950	43,955	8,236

As at December 31, 2023	Income (loss) for the period MCh$	Total assets MCh$	Total liabilities MCh$
CAT Administradora de Tarjetas S.A.	1,051	1,877,660	1,644,152
CAT Corredores de Seguros y Servicios S.A.	6,784	31,112	11,467
Administradora y Procesos S.A	1,184	6,629	2,397
Servicios Integrales S.A.	8,215	24,866	7,825
Bandesarrollo Leasing Inmobiliario S.A.	456	18,502	7,306
Scotia Azul Asesorías Financieras S.A.	6,231	11,567	2,725
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	3,151	41,365	8,658

Note 29 Contingencies and commitments

a) Contingent loans

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

Amount for different contingent loans	Contingent loans as at 12/31/2024 MCh$	12/31/2023 MCh$
Guarantees and sureties		
Guarantees and sureties in domestic currency	207,581	124,666
Guarantees and sureties in foreign currency	387,943	404,285
Letters of credit for merchandise circulation operations	213,120	143,783
Debt purchase commitments in local currency abroad	-	-
Transactions related to contingent events		
Transactions related to contingent events in Chilean currency	556,304	484,983
Transactions related to contingent events in foreign currency	270,104	167,951
Unrestricted lines of credit for immediate payment		
Available balance line of credit and agreed overdraft in checking account- commercial portfolio	786,417	719,110
Available balance line of credit on credit card – commercial portfolio	70,376	68,577
Available balance line of credit and agreed overdraft in checking account - consumer portfolio	388,185	396,440
Available balance line of credit on credit card – consumer portfolio	5,198,889	5,087,681
Available balance of line of credit and agreed overdraft in checking account – portfolio owed by banks	-	-
Free disposal lines of credit		
Available balance line of credit and agreed overdraft in checking account – commercial portfolio	-	-
Available balance line of credit in credit card – commercial portfolio	-	-
Available balance line of credit and agreed overdraft in checking account – consumer portfolio	-	-
Available balance line of credit in credit card – consumer portfolio	-	-
Available balance line of credit and agreed overdraft in checking account – portfolio owed by banks	-	-
Other credit commitments		
Credit for senior studies Law No. 20027 (CAE)	10,869	16,427
Other irrevocable credit commitments	69,217	74,585
Other contingent credits	-	-

b) Contingencies

As at the date of issuance of these Consolidated Financial Statements there are legal actions filed against the Bank and its subsidiaries regarding operations inherent to the business. As at December 31, 2024, provisions for legal contingencies amounted to MCh$7,067 (MCh$10,574 as at December 31, 2023), which are part of item "Provisions for contingencies" in the Consolidated Statements of Financial Position.

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

c) Covenants

The Bank has four current financing contracts entered into with Export Development Canada on July 28, 2021 (MUS$100), July 13, 2022 (MUS$250), August 9, 2023 (MUS$300) and June 5, 2024 (MUS$200). These contracts establish the Bank's compliance with covenants related mainly to the provision of financial and non-financial information, regulatory compliance and compliance with certain obligations such as: compliance with the laws and authorizations necessary to perform its business and operations in general, perform all aspects necessary to preserve, renew and maintain its legal existence in full force and effect. Note that these financing agreements do not require compliance with specific financial ratios.

As at December 31, 2024, the Bank has fully complied with each of the obligations arising from the aforementioned contracts.

d) Responsibilities

The Bank and its subsidiaries have the following responsibilities arising from the normal course of their businesses:

	12/31/2024 MCh$	12/31/2023 MCh$
Documents in collection	70,904	67,834
Transferred financial assets managed by the Bank	1,248,488	1,380,750
Securities in custody	6,650,082	7,709,504
Assets in guarantee	3,703,718	4,149,397
Total	**11,673,192**	**13,307,485**

e) 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. 330-24-00037468 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, 2024 through April 22, 2025.

In order to comply with the requirements of the Stock Exchanges, in terms of comprehensive insurance, the subsidiary engaged from Zurich Chile Seguros Generales S.A., a policy No. 0176962 for an insured amount of US$1,000,000 covering the period from May 31, 2024 through May 31, 2025.

To guarantee the operations of the gross settlement compensation system, as at December 31, 2024, collateral securities were delivered to the Bolsa de Comercio de Santiago for MCh$9,214 and MCh$0 in cash (collateral securities amounting to MCh$12,433 and MCh$0 in cash as at December 31, 2023).

In accordance with the internal regulations of the Stock Exchange, in order to guarantee the proper performance of and compliance with the operations of Stockbrokers, as at December 31, 2024, guarantees were constituted on securities of MCh$2,687 and in cash of MCh$0 in favor of the Bolsa de Comercio de Santiago. In favor of the Bolsa Electrónica de Chile guarantees were established on securities of MCh$768 and in cash of MCh$0 (as at December 31, 2023, guarantees were constituted on securities of MCh$2,022 and in cash of MCh$0 in favor of Bolsa de Comercio de Santiago, and guarantees were constituted on securities in favor of Bolsa Electrónica de Chile of MCh$488 and in cash of MCh$0).

In order to guarantee share loan transactions, as at December 31, 2024, cash of MCh$1,540 was provided to Bolsa de Comercio de Santiago, and cash of MCh$0 was provided to Bolsa Electrónica de Chile (as at December 31, 2023, cash of MCh$0 was provided to Bolsa de Comercio de Santiago and cash of MCh$0 was provided to Bolsa Electrónica de Chile).

As at December 31, 2024, the Company holds collateral for simultaneous transactions of MCh$3,027 in Bolsa de Comercio de Santiago and of MCh$3,988 in the Bolsa Electrónica de Chile. (As at December 31, 2023, the Company holds collateral for simultaneous transactions of MCh$3,175 in the Bolsa de Comercio de Santiago and of MCh$2,526 in the Bolsa Electrónica de Chile), which are held in the Custody Department of Bolsa de Comercio de Santiago or Bolsa Electrónica de Chile).

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

Scotia Administradora General de Fondos Chile S.A. has guarantees until January 10, 2025 for each of the managed funds, in accordance with the provisions of Article 13 of Law No.20712 of Administration of third-party funds and individual portfolios. The guarantees constituted by the funds managed through performance bonds with Scotiabank Chile correspond to a total amounting to UF 871,282.01.

iii) At Scotia Corredora de Seguros Chile Limitada

In accordance with the provisions of Article No. 58, letter D of DFL 251, as at December 31, 2024, 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	**:**	**N°1407062-1**
Amount	:	UF60.000
In favor of	:	Scotiabank Chile
Purpose	:	To cover in accordance with the general terms of the professional civil liability for insurance brokers, registered with the policy record under POL120130969 of CMF.
Term	:	Up to April 14, 2025

Series A	**:**	**N°1407065-1**
Amount	:	UF500
In favor of	:	Scotiabank Chile
Purpose	:	To guarantee the correct fulfillment of the obligations that the insurance broker, identified in this policy as the insured, has reason for its operations as an intermediary in the contracting of insurance in accordance with the standards established in Circular No. 1584 dated December 21 January 2002 of the CMF, under the code POL120130965.
Term	:	Up to April 14, 2025

Additionally, the Company holds three guarantee certificates in favor of Scotiabank Chile to comply with its obligations as an intermediary of the fire and earthquake insurance portfolio.

Series A	**:**	**N°N°420002283947**
Amount	:	UF10.000
In favor of	:	Scotiabank Chile
Purpose	:	To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Limitada that arise from its performance as an intermediary for fire, earthquake and additional coverage insurance awarded in the public bidding process for collective fire, earthquake and additional coverage insurance policies of Scotiabank Chile.
Term	:	Up to July 31, 2026

Series A	**: N°420002283955**
Amount	: UF100
In favor of	: Scotiabank Chile
Purpose	: To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Limitada which arise from its performance as an intermediary for the fire and earthquake insurance awarded in the public bidding process for the collective fire and earthquake insurance
Term	: Up to July 31, 2026

Series A	**: N°N°420002283982**
Amount	: UF100
In favor of	: Scotiabank Chile
Purpose	: To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Limitada which arise from its performance as an intermediary for the fire and earthquake insurance awarded in the public bidding process for the collective fire and earthquake insurance policy for the lease contracts with an option to purchase of Scotia Azul Sociedad de Leasing Inmobiliario S.A.
Term	: Up to July 31, 2026

f) 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 December 31, 2024, 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, 2024 and expires on April 14, 2025, which protect it from possible damages that could affect it as a result of breaches of law, regulations and complementary standards that regulate insurance brokers, and especially when the breach that arises from acts, errors and omissions of the broker, their representatives, attorneys-in-fact or dependents entities that participate in the intermediation.

The related documents are the following:

Policy No.	Insured /Contracting	Insured Item	Amount UF
120130965	CAT Corredores de Seguros y Servicios S.A.	Brokers guarantee	500
120130969	CAT Corredores de Seguros y Servicios S.A.	Civil Liability	60,000

g) Guarantees on real estate lease operations

As established in contracts of "Administration of Housing Lease Contracts with Purchase Promise" held by Bandesarrollo 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 Bandesarrollo 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	No.1	85	Current commercial value
Separated equity BBICS L	No.6	85	Current commercial value
Separated equity BBICS F	No.12	80	Promised price of the original contract
Separated equity BBICS U	No.21	80	Promised price of the original contract
Separated equity BBICS	No.22	60	Promised price of the original contract

Note 30 Interest income and expenses

a) Summary of Interest income and expenses

	12/31/2024 MCh$	12/31/2023 MCh$
Interest income	2,302,676	2,471,326
Interest expense	(1,339,742)	(1,644,295)
Subtotal net interest income	**962,934**	**827,031**
Net result of accounting hedges due to interest rate risk	(55,936)	23,930
Total net interest income	**906,998**	**850,961**

b) Detail of Interest income:

	12/31/2024 MCh$	12/31/2023 MCh$
Interest income:		
Financial assets at amortized cost:		
Rights under resale agreements and securities lending agreements	19,889	18,341
Financial debt securities	42,202	17,893
Loans and advances to banks	7,635	19,101
Commercial loans	915,372	1,095,671
Mortgage loans	472,186	454,556
Consumer loans	727,482	661,612
Other financial instruments	52,947	47,341
Financial assets at fair value through other comprehensive income		
Debt financial instruments	64,963	156,811
Other financial instruments	-	-
Total	**2,302,676**	**2,471,326**

c) Detail of Interest expenses:

	12/31/2024 MCh$	12/31/2023 MCh$
Interest expense:		
Financial liabilities at amortized cost:		
Deposits and other on-demand liabilities	(27,464)	(41,135)
Term and on-demand deposits	(885,574)	(1,206,796)
Liabilities under repurchase arrangements and securities lending	(17,334)	(17,156)
Bank borrowings	(160,085)	(155,965)
Debt financial instruments issued	(200,351)	(179,976)
Other financial liabilities	-	-
Lease liabilities	(4,400)	(4,396)
Issued regulatory capital financial instruments	(44,534)	(38,871)
Total	**(1,339,742)**	**(1,644,295)**

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

	12/31/2024 MCh$	12/31/2023 MCh$
Interest income:		
Result of accounting hedges due to interest rate risk:		
Gain from financial derivative contracts for accounting hedge	65,570	71,538
Loss from financial derivative contracts for accounting hedge	(137,102)	(95,976)
Results from adjustments of hedged financial assets	(9,957)	41,526
Interest expense:		
Result of accounting hedges of interest rate risk:		
Gain from financial derivative contracts for accounting hedge	36,412	27,164
Loss from financial derivative contracts for accounting hedge	(17,267)	(15,638)
Results from adjustments of hedged financial liabilities	6,408	(4,684)
Net result of accounting hedges on risk due to interest rate risk	**(55,936)**	**23,930**

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

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

	12/31/2024 MCh$	12/31/2023 MCh$
Owed by banks	-	-
Commercial loans	14,310	6,148
Mortgage loans	15,895	13,701
Consumer loans	38,786	11,263
Total	**68,991**	**31,112**

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

	12/31/2024 MCh$	12/31/2023 MCh$
Owed by banks	-	-
Commercial loans	14,118	9,606
Mortgage loans	11,429	7,343
Consumer loans	973	1,110
Total	**26,520**	**18,059**

Note 31 Indexation income and expenses

a) Summary of Indexation income and expenses:

	12/31/2024 MCh$	12/31/2023 MCh$
Income due to UF adjustments	805,491	844,897
Expenses due to UF adjustments	(383,078)	(409,897)
Subtotal net income due to UF adjustments	**422,413**	**435,000**
Net result of accounting hedges of risk due to UF adjustments	(17,351)	(64,885)
Total net income due to adjustments	**405,062**	**370,115**

b) Detail of Indexation income:

	12/31/2024 MCh$	12/31/2023 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	194,899	190,155
Mortgage loans	591,809	631,910
Consumer loans	481	627
Other financial instruments	5,239	5,619
Financial assets at fair value through in other comprehensive income		
Debt financial instruments	13,063	16,586
Other financial instruments	-	-
Total	**805,491**	**844,897**

c) Detail of Indexation expenses:

	12/31/2024 MCh$	12/31/2023 MCh$
Expenses due to UF adjustments		
Financial liabilities at amortized cost:		
Deposits and other on-demand obligations	-	-
Deposits and other time deposits	(28,975)	(36,889)
Obligations due to repurchase agreements and securities lending	-	-
Obligations with banks	-	-
Debt financial instruments issued	(301,443)	(326,747)
Other financial obligations	-	-
Regulatory capital financial instruments issued:		
Subordinated bonds	(52,660)	(46,261)
Bonds with no fixed maturity term	-	-
Total	**(383,078)**	**(409,897)**

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

	12/31/2024 MCh$	12/31/2023 MCh$
Income due to adjustments:		
Result of accounting hedges due to risk in UF adjustments		
Gain from financial derivative contracts for accounting hedges	1,592,135	112,456
Loss from financial derivative contracts for accounting hedges	(1,569,812)	(160,843)
Results from adjustments of hedged financial assets	6,021	(9,133)
Adjustment expenses:		
Result of accounting hedges due to risk in UF adjustments		
Gain from financial derivative contracts for accounting hedges	111,890	142,307
Loss from financial derivative contracts for accounting hedges	(161,401)	(142,856)
Results from adjustment of hedged financial liabilities	3,816	(6,816)
Net result of accounting hedges on risk due to UF adjustments	**(17,351)**	**(64,885)**

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

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

	12/31/2024 MCh$	12/31/2023 MCh$
Owed by banks	-	-
Commercial loans	2,911	3,251
Mortgage loans	1,575	2,583
Consumer loans	563	12
Total	**5,049**	**5,846**

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

	12/31/2024 MCh$	12/31/2023 MCh$
Owed by banks	-	-
Commercial loans	9,484	9,179
Mortgage loans	41,923	32,049
Consumer loans	15	25
Total	**51,422**	**41,253**

Note 32 Fee and commission income and expenses

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

	12/31/2024 MCh$	12/31/2023 MCh$
Commissions due to credits prepayment	5,097	3,959
Commissions due to loans with letters of credit	1,423	1,578
Commissions due to credit lines and overdrafts in checking accounts	1,348	1,136
Commissions due to guarantees and letters of credit	17,618	15,719
Credit card transactions commissions	97,270	97,085
Commissions due to accounts management	22,432	22,259
Commissions due to collections and payments	66,721	55,794
Commissions due to brokerage and securities handling (Stock Brokers and/or Securities Agency)	1,815	1,750
Remuneration for administration of mutual funds, investment funds or others	17,760	13,728
Insurance related to the granting of credits to natural persons	38,945	35,408
Insurance not related to the granting of credits to natural persons	14,516	13,933
Insurance related to the granting of credits to legal entities	1,943	2,023
Insurance not related to the granting of credits to legal entities	376	433
Commissions due to services on factoring operations	63	65
Commissions due to services in financial lease operations	1,250	1,026
Commissions due to deposit and custody of securities	7	7
Commissions due to financial advise	10,169	9,051
Other commissions earned		
Foreign currency exchange	5	3
Issuance of on-demand vouchers	280	249
Issuance of guarantee bills	594	441
Student loan administration	10,587	11,462
Other remuneration for services rendered	10,255	8,127
Total income due to commissions and services rendered	**320,474**	**295,236**
Commissions for card operations	(42,453)	(45,953)
Fees for licensing the use of card brands	(2,020)	(1,307)
Other commissions for services related to the credit card system and payment cards with provision of funds as a means of payment	-	-
Expenses due to obligations on loyalty programs and merits for cardholders	(28,137)	(21,956)
Securities trading commissions	(4,945)	(4,424)
Other commissions for services received		
Commissions by correspondent banks in the country and abroad	(87)	(117)
Commissions for electronic fund transfer services	(18,916)	(16,863)
Other subsidiary commissions	(2,820)	(1,699)
Other	(4,468)	(5,251)
Total expenses due to commissions and services rendered	**(103,846)**	**(97,570)**
Total net income due to commissions	**216,628**	**197,666**

Note 33 Net financial result

The detail of this line item is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Income from financial assets to be traded at fair value through profit or loss		
Financial derivative contracts	6,680,152	6,402,789
Debt financial instruments	20,915	28,264
Other financial instruments:		
Investments in mutual funds	3,170	6,549
Equity instruments	(106)	1,514
Credits originated and acquired by the entity	-	-
Other	-	144
Result from financial liabilities to be traded at fair value through profit or loss		
Financial derivative contracts	(6,393,035)	(6,253,318)
Other financial instruments:	-	-
Subtotal	**311,096**	**185,942**
Financial result for financial assets not intended for trading mandatorily valued at fair value through profit or loss	-	-
Financial result for financial assets and liabilities designated at fair value through profit or loss	-	-
Financial result from derecognising financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income		
Financial assets at amortized cost	2,755	7,354
Financial assets at fair value through other comprehensive income	(1,179)	935
Subtotal	**1,576**	**8,289**
Financial results for changes readjustments and accounting hedging of foreign currency		
Foreign currency exchange result	(278,132)	(92,798)
Results for adjustments on exchange rate		
Financial assets at amortized cost	15,470	3,264
Net result of derivatives in accounting hedges of foreign currency risk	42,626	(298)
Subtotal	**(220,036)**	**(89,832)**
Financial result from reclassifications of financial assets due to a change in business model	-	-
Other financial result from changes in financial assets and liabilities	-	-
Other result from ineffective cash flow accounting hedges		
Result from ineffective cash flow accounting hedges	(1,891)	(2,918)
Other financial result from other types of accounting hedges	-	-
Subtotal	**(1,891)**	**(2,918)**
Net financial result	**90,745**	**101,481**

Note 34 Gain or loss from investments in companies

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

	Country	12/31/2024 MCh$	12/31/2023 MCh$
Companies with significant influence in the country			
Transbank S.A.	Chile	4,192	5,606
Subtotal		**4,192**	**5,606**
Minority investments in other local companies			
Holding Bursátil Chilena S.A.	Chile	199	-
Bolsa de Comercio de Santiago	Chile	-	34
Sociedad de Infraestructura de Mercado S.A.	Chile	-	597
Bolsa Electrónica de Chile	Chile	15	15
Sociedad Interbancaria de Depósitos de Valores	Chile	97	76
Sociedad Servicios de Infraestructura y de Mercado OTC	Chile	55	-
Combanc S.A.	Chile	17	28
Subtotal		**383**	**750**
Minority investments in other companies abroad			
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	17	6
Subtotal		**17**	**6**
Total income from investments in companies		**4,592**	**6,362**

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

Non-current assets result detail is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Result from assets received in lieu of payment or legally adjudicated		
Result from the sale of assets received in payment or legally awarded with related third parties	-	-
Result from the sale of goods received in payment or awarded in judicial auction to unrelated third parties	5,007	4,967
Other income from assets received in payment or legally awarded through auctions	-	419
Provisions for adjustments to the net realizable value of assets received in payment or legally adjudicated through auctions	(3,004)	(1,365)
Write-offs of assets received in payment or adjudicated in legal auctions	(5,053)	(3,324)
Expenses for maintenance of assets received in payment or awarded in legal auctions	(919)	(650)
Non-current assets held for sale		
Investments in companies	-	79
Intangible assets	-	-
Property, equipment	2,654	719
Assets from the recovery of assets transferred in financial leasing operations	-	-
Other assets	-	-
Disposal groups available for sale	-	-
Total	**(1,315)**	**845**

Note 36 Other operating income and expenses

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

	12/31/2024 MCh$	12/31/2023 MCh$
Other operating income		
Compensation from insurance companies for claims other than operational risk events	-	-
Net income from investment properties	-	-
Income received from credit card brands (VISA, MC etc.)	7,930	7,059
Income from correspondent banks	-	-
Income other than interest and commissions from lease contracts	228	505
Income due to reimbursements of expenses	9,827	10,705
Other income		
Various income from leasing operations	787	2,122
Lease received	23	33
Income from consultancies	-	6
Recovery of expenses	34	-
Sundry income from subsidiaries	1,617	3,946
Compensation received	19,546	20,162
Other operating income	4,071	6,257
Total other operating income	**44,063**	**50,795**
Other operating expenses		
Expenditure of insurance premiums to cover operational risk events	-	-
Gross loss expense due to operational risk events	(1,435)	1,030
Recoveries of expenses due to operational risk events	2,608	2,693
Expense of provisions for unearned insurance brokerage commissions	-	-
Expense of provisions for unearned insurance premium collection commissions	-	-
Provisions for restructuring plans	69	(13,722)
Provisions from trials and litigation	357	104
Other provisions for other contingencies	(14)	(119)
Expenses for credit operations of financial leasing	(572)	(1,626)
Expenses for factoring credit operations	(35)	(33)
Expenses for administration, maintenance and support of automatic teller machines (ATM)	-	-
Expenses for adoption of new card technologies	-	-
Expenses for issuance of financial instruments of regulatory capital	(79)	-
Other operating expenses		
Expenses for provisions of securitized bonds	(6,441)	(6,919)
Operational risk expenses	(8,215)	(11,874)
Write-offs due to business decisions	(2,142)	(1,855)
Correspondent bank expenses	(2,210)	(1,645)
Clearing Chamber Services	(2,378)	(2,096)
Expenses for legal advents	(801)	(717)
Other operating expenses Subsidiaries	(8,831)	(11,350)
Other operating expenses	(2,482)	(1,307)
Total other operating expenses	**(32,601)**	**(49,436)**
Total	**11,462**	**1,359**

Note 37 Expenses for employee benefit obligations

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

	12/31/2024 MCh$	12/31/2023 MCh$
Expenses due to short-term benefits to employees	292,583	289,311
Post-employment employee benefit expense	-	-
Expenses due to long-term benefits to employees	4,433	2,305
Expenses for employee benefits due to termination of employment contract	13,436	14,254
Expenses for payments to employees based on shares or equity instruments	-	-
Expenses for obligations for defined contribution post-employment plans	-	-
Expenses for obligations for post-employment defined benefit plans	-	-
Expenses for other personnel obligations	-	-
Other staff expenses	1,413	1,548
Total expenses due to obligations on benefits to employees	**311,865**	**307,418**

Note 38 Administrative expenses

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

	12/31/2024 MCh$	12/31/2023 MCh$
Administration overheads		
Expenses for short-term lease contracts	5,468	5,064
Expenses for low-value leases	-	-
Other expenses of obligations for lease contracts	319	303
Maintenance and repair of property and equipment	7,332	6,178
Insurance premiums except to cover operational risk events	3,549	3,669
Office supplies	1,491	1,551
IT and communication expenses	57,852	53,346
Electricity , heating and other services	2,908	2,542
Security patrol and security transport services	3,268	3,425
Personnel representation and travel expenses	1,510	1,091
Legal and notary expenses	12,956	13,064
Fees for review and audit of the financial statements by the external auditor	1,715	1,311
Fees for advice and consultancies carried out by the external auditor	89	-
Fees for advice and consultancies carried out by other audit firms	-	-
Title Classification Fees	-	-
Fees for other technical reports	1,835	1,946
Fines applied by CMF	-	4
Fines applied by other organizations	173	128
Other administration overhead expenses		
Common expenses buildings	3,746	3,804
Contribution Banks Association	63	56
External consultancies	42,003	33,657
Services Santiago Stock Exchange	1,107	1,126
Telemarketing services	8,237	6,492
Card distribution servicing	460	1,707
External consultancies Subsidiaries	-	-
Other general administrative expenses	6,595	5,383
Outsourced services		
Data processing	1,466	1,157
Technological development, certification and technological testing service	54	175
External service for the administration of human resources and supply of outsourced personnel	1,828	1,943
Appraisal service	-	-
Call Center service for sales, marketing, quality control, customer service	2,961	3,201
Outsourced collection service	14,542	14,296
Outsourced ATM administration and maintenance service	837	1,569
Outsourced cleaning service, casino, custody of files and documents, storage of furniture and equipment	3,366	3,170
Product sales and distribution services	-	-
Outsourced credit evaluation service	-	-
Other outsourced		
IT and communications expense	18,519	14,668
Other Services subcontracted by Subsidiaries	17,963	18,033
Other/Scotia Servicios Corporativos SpA	1,049	1,571
Other outsourced service	3,284	2,358
Board expenses	834	802
Advertising	14,290	16,002
Taxes, contributions and other legal charges	17,130	16,298
Total administrative expenses	**260,799**	**241,090**

Note 39 Depreciation and amortization

The detail of this line item is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Amortization of intangible assets		
Other intangible assets arising from business combinations	9,229	9,228
Other intangible assets arising independently	37,534	30,723
Depreciation of Property and Equipment		
Building and Land	1,594	1,613
Other fixed assets	10,376	10,590
Amortization and depreciation of right-of-use asset under lease		
Building and Land		
Building	11,737	12,342
Other fixed assets	-	-
Depreciation for improvements in leased real estate as assets for the right to use leased property	2,246	2,418
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	**72,716**	**66,914**

Note 40 Impairment of non-financial assets

The detail of this line item is as follows:

	12/31/2024 MCh$	12/31/2023 MCh$
Impairment of investments in companies	-	-
Impairment of intangible assets	339	264
Impairment of Property and Equipment	-	-
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	**339**	**264**

Note 41 Credit loss expense

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

a) Credit loss expense

	12/31/2024 MCh$	12/31/2023 MCh$
Expenses on allowances due to credit risk on loans	(518,433)	(493,988)
Expense on special allowances due to credit risk	2,254	(1,467)
Recovery of written-off loans	79,428	76,228
Impairment due to credit risk of other financial assets at amortized cost	58	(2,788)
Impairment due to credit risk of financial assets at fair value with changes in other comprehensive income	109	89
Total	**(436,584)**	**(421,926)**

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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 As at December 31, 2024 (MCh$)	Expense of allowances due to loans in the period							
	Regular portfolio Evaluation		Substandard portfolio Evaluation	Default portfolio Evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Individual	group	Individual	Individual	group			
Owed by banks								
Constitution de provisions	(156)	-	-	-	-	**(156)**		
Release of allowances	170	-	-	-	-	**170**		
Subtotal	**14**	**-**	**-**	**-**	**-**	**14**	**-**	**14**
Commercial loans								
Constitution de provisions	(170,726)	(21,524)	(75,629)	(94,756)	(92,795)	**(455,430)**	(142)	**(455,572)**
Release of allowances	158,220	22,268	66,085	29,611	35,046	**311,230**	5,972	**317,202**
Subtotal	**(12,506)**	**744**	**(9,544)**	**(65,145)**	**(57,749)**	**(144,200)**	**5,830**	**(138,370)**
Mortgage loans								
Constitution de provisions	-	(13,312)	-	-	(19,402)	**(32,714)**		
Release of allowances	-	16,354	-	-	9,008	**25,362**		
Subtotal	**-**	**3,042**	**-**	**-**	**(10,394)**	**(7,352)**	**-**	**(7,352)**
Consumer loans								
Constitution de provisions	-	(95,132)	-	-	(450,897)	**(546,029)**		
Release of allowances	-	100,095	-	-	73,209	**173,304**		
Subtotal	**-**	**4,963**	**-**	**-**	**(377,688)**	**(372,725)**	**-**	**(372,725)**
Expense of allowances constituted for loan credit risk	**(12,492)**	**8,749**	**(9,544)**	**(65,145)**	**(445,831)**	**(524,263)**	**5,830**	**(518,433)**
Recoveries of written-off loans								
Owed by banks								-
Commercial loans								22,420
Mortgage loans								6,882
Consumer loans								50,126
Subtotal								**79,428**
Expense due to credit loss on loans								**(439,005)**

Summary of expense on allowances due to credit risk and expense for credit losses on loans in the As at December 31, 2023 (MCh$)	Expense of allowances due to loans in the period							
	Regular portfolio Evaluation		Substandard portfolio Evaluation	Default portfolio Evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Individual	group	Individual	Individual	group			
Owed by banks								
Constitution de provisions	(73)	-	-	-	-	**(73)**		
Release of allowances	65	-	-	-	-	**65**		
Subtotal	**(8)**	**-**	**-**	**-**	**-**	**(8)**	**-**	**(8)**
Commercial loans								
Constitution de provisions	(138,261)	(21,041)	(55,592)	(90,577)	(62,063)	**(367,534)**	(44)	**(367,578)**
Release of allowances	133,284	24,441	56,987	30,223	22,588	**267,523**	4,844	**272,367**
Subtotal	**(4,977)**	**3,400**	**1,395**	**(60,354)**	**(39,475)**	**(100,011)**	**4,800**	**(95,211)**
Mortgage loans								
Constitution de provisions	-	(13,544)	-	-	(18,474)	**(32,018)**		
Release of allowances	-	13,886	-	-	4,502	**18,388**		
Subtotal	**-**	**342**	**-**	**-**	**(13,972)**	**(13,630)**	**-**	**(13,630)**
Consumer loans								
Constitution de provisions	-	(100,174)	-	-	(428,707)	**(528,881)**		
Release of allowances	-	89,331	-	-	54,411	**143,742**		
Subtotal	**-**	**(10,843)**	**-**	**-**	**(374,296)**	**(385,139)**	**-**	**(385,139)**
Expense of allowances constituted for loan credit risk	**(4,985)**	**(7,101)**	**1,395**	**(60,354)**	**(427,743)**	**(498,788)**	**4,800**	**(493,988)**
Recoveries of written-off loans								
Owed by banks								-
Commercial loans								18,835
Mortgage loans								7,625
Consumer loans								49,768
Subtotal								**76,228**
Expense due to credit loss on loans								**(417,760)**

c) Expense for credit risk special allowances

Summary of expenses due to credit risk special allowances in the period	12/31/2024 MCh$	12/31/2023 MCh$
Allowances expense due to contingent loans	**3,045**	**(1,299)**
Owed by banks	-	-
Commercial loans	(11)	(618)
Consumer loans	3,056	(681)
Allowances expense due to country risk for operations with debtors domiciled abroad	**(791)**	**(168)**
Expense due to special allowances for credits abroad	**-**	**-**
Expense due to additional allowances for credits	**-**	**-**
Commercial loans	-	-
Mortgage loans	-	-
Consumer loans	-	-
Expense due to adjustment allowances to minimum allowances required for regular portfolio with individual evaluation	**-**	**-**
Expense due to other special allowances constituted for credit risk	**-**	**-**
Total expenses due to credit risk special allowances	**2,254**	**(1,467)**

Note 42 Gain or loss from discontinued operations

As at December 31, 2024 and 2023, the Bank does not have this type of operations.

Note 43 Related party disclosures

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

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

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

a) Assets and liabilities for transactions with related parties

Type of current assets and liabilities with related parties according to IAS24	Type of related party				
As at December 31, 2024 (in MCh$)	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
ASSETS					
Financial assets to be traded at fair value through profit or loss:					
Financial derivative contracts	2,176,351	-	-	140	**2,176,491**
Debt financial instruments	-	-	-	-	**-**
Financial assets not intended for mandatorily trading at fair value through profit or loss	-	-	-	-	**-**
Financial assets designated at fair value through profit or loss	-	-	-	-	**-**
Financial assets at fair value through other comprehensive income	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	103,271	-	-	-	**103,271**
Financial assets at amortized cost:					
Rights for repurchase arrangements and securities lending	-	-	-	-	**-**
Debt financial instruments	-	-	-	-	**-**
Commercial loans	-	-	4,017	421,783	**425,800**
Mortgage loans	-	-	23,311	113,412	**136,723**
Consumer loans	-	-	3,724	20,288	**24,012**
Allowances constituted- Loans	-	-	(156)	(4,140)	**(4,296)**
Other assets	441	-	-	-	**441**
Contingent loans	4,387	29,997	8,968	38,048	**81,400**
LIABILITIES					
Financial liabilities to be traded at fair value through profit or loss:					
Financial derivative contracts	1,738,288	-	-	3,676	**1,741,964**
Financial liabilities designated at fair value through profit or loss	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	200,963	-	-	-	**200,963**
Financial liabilities at amortized cost:					
Term and on-demand deposits	1,217	587	1,973	53,078	**56,855**
Deposits and other term deposits	-	-	7,084	72,843	**79,927**
Liabilities with repurchase arrangements and securities lending	-	-	-	-	**-**
Obligations with banks	-	-	-	724,533	**724,533**
Debt financial instruments issued	-	-	-	-	**-**
Other financial obligations	-	-	-	-	**-**
Lease contracts obligations	-	-	-	697	**697**
Regulatory capital financial instruments issued	-	-	-	696,318	**696,318**
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	-	-	-	3,775	**3,775**
Other liabilities	5,753	-	-	144	**5,897**

Type of current assets and liabilities with related parties according to IAS24 As at December 31, 2023 (in MCh$)	Type of related party: Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
ASSETS					
Financial assets to be traded at fair value through profit or loss:					
Financial derivative contracts	1,959,467	752	-	-	**1,960,219**
Debt financial instruments	-	-	-	-	**-**
Financial assets not intended for mandatorily trading at fair value through profit or loss	-	-	-	-	**-**
Financial assets designated at fair value through profit or loss	-	-	-	-	**-**
Financial assets at fair value through other comprehensive income	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	75,380	-	-	-	**75,380**
Financial assets at amortized cost:					
Rights for repurchase arrangements and securities lending	-	-	-	-	**-**
Debt financial instruments	-	-	-	-	**-**
Commercial loans	-	-	3,298	313,577	**316,875**
Mortgage loans	-	-	16,755	117,384	**134,139**
Consumer loans	-	-	2,676	19,632	**22,308**
Allowances constituted- Loans	-	-	(85)	(1,956)	**(2,041)**
Other assets	860	-	-	-	**860**
Contingent loans	13,486	29,998	3,626	32,221	**79,331**
LIABILITIES					
Financial liabilities to be traded at fair value through profit or loss:					
Financial derivative contracts	1,327,914	5,372	-	-	**1,333,286**
Financial liabilities designated at fair value through profit or loss	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	185,522	-	-	-	**185,522**
Financial liabilities at amortized cost:					
Term and on-demand deposits	2,050	1,039	1,479	65,850	**70,418**
Deposits and other term deposits	-	-	10,584	72,529	**83,113**
Liabilities with repurchase arrangements and securities lending	-	-	-	-	**-**
Obligations with banks	-	-	-	793,564	**793,564**
Debt financial instruments issued	-	-	-	-	**-**
Other financial obligations	-	-	-	-	**-**
Lease contracts obligations	-	-	-	744	**744**
Regulatory capital financial instruments issued	-	-	-	-	**-**
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	-	-	-	-	**-**
Other liabilities	7,057	-	-	192	**7,249**

b) Income and expenses for transactions with related parties

Type of income and expenses from transactions with related parties according to IAS24 As at December 31, 2024 (in MCh$)	Type of related party				
	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
Interest income	-	2	906	22,552	**23,460**
Indexation income	-	-	1,142	18,208	**19,350**
Commission Income	-	309	109	3,134	**3,552**
Net financial income	233,421	-	-	(12,246)	**221,175**
Other income	473	-	2	11	**486**
Total income	**233,894**	**311**	**2,159**	**31,659**	**268,023**
Interest expenses	-	-	(441)	(7,995)	**(8,436)**
Indexation expenses	-	-	(46)	(134)	**(180)**
Commission expenses	(1)	(10,491)	(62)	(9,029)	**(19,583)**
Credit loss expense	-	-	-	(12)	**(12)**
Expenses for employee benefit obligations	-	-	(25,014)	-	**(25,014)**
Administration expenses	(20,828)	-	-	(7,909)	**(28,737)**
Other expenses	-	-	11	(852)	**(841)**
Total expenses	**(20,829)**	**(10,491)**	**(25,552)**	**(25,931)**	**(82,803)**

Type of income and expenses from transactions with related parties according to IAS24 As at December 31, 2023 (in MCh$)	Type of related party				
	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
Interest income	-	21	520	19,999	**20,540**
Indexation income	-	-	897	14,269	**15,166**
Commission Income	-	160	98	2,281	**2,539**
Net financial income	33,955	-	1	(5,414)	**28,542**
Other income	-	-	7	81	**88**
Total income	**33,955**	**181**	**1,523**	**31,216**	**66,875**
Interest expenses	-	-	(791)	(13,720)	**(14,511)**
Indexation expenses	-	-	(58)	(355)	**(413)**
Commission expenses	(8)	(9,091)	(38)	(11,292)	**(20,429)**
Credit loss expense	-	-	(5)	(735)	**(740)**
Expenses for employee benefit obligations	-	-	(22,721)	-	**(22,721)**
Administration expenses	(14,805)	(142)	-	(5,664)	**(20,611)**
Other expenses	-	-	-	(660)	**(660)**
Total expenses	**(14,813)**	**(9,233)**	**(23,613)**	**(32,426)**	**(80,085)**

c) Individual transactions with related parties

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

Company name	Nature of relationship with the bank	Transaction description: Type of service	Transaction description: Term	Transaction description: Renewal conditions	Transactions in conditions of equivalence to those transactions with mutual independence between the parties	As at December 31, 2024: Amount MCh$	Effect on income statement: Income MCh$	Effect on income statement: Expenses MCh$	Effect in Statement of Financial Position: Accounts Receivable MCh$	Effect in Statement of Financial Position: 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	3,419	-	1,862	-	-
Inmobiliaria Mall Viña del Mar S.A	Other related parties	Lease of property for branch	6 years	Automatic renewal for 5 years	Conditions equivalent to the market on the date these were made	159	-	62	-	-
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	824	-	824	-	-
Redbanc S.A.	Other related parties	Money dispensing services and delivery of information and data through ATMs	5 years	Automatic renewal for 3 years	Conditions equivalent to the market on the date these were made	4,446	-	4,291	-	-
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	5,517	-	4,793	-	-
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	3,398	-	2,594	-	-
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	1,302	-	1,302	-	-
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	35,076	22,581	12,495	-	-
The Bank of Nova Scotia	Parent	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	5,805	5,805	-	-	-
The Bank of Nova Scotia	Parent	Technology and project services	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	22,047	-	21,689	-	358
Scotiabank Perú S.A.	Other related parties	Regional Technological Support.	Undefined	Automatic renewal	Conditions equivalent to the market on the date these were made	1,689	-	1,425	-	-

Company name	Nature of relationship with the bank	Transaction description			Transactions in conditions of equivalence to those transactions with mutual independence between the parties	As at December 31, 2023				
		Type of service	Term	Renewal conditions		Amount	Effect on income statement		Effect in Statement of Financial Position	
							Income	Expenses	Accounts Receivable	Accounts Payable
						MCh$	MCh$	MCh$	MCh$	MCh$
Azurian Tecnología Limitada	Other related parties	Facial Biometrics Service	1 year	Automatic renewal	Conditions equivalent to the market on the date these were made	1,195	-	1,195	-	-
Inmobiliaria Mall Viña del Mar S.A	Other related parties	Lease of property for branch	6 years	Automatic renewal for 5 years	Conditions equivalent to the market on the date these were made	136	-	43	-	-
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	643	-	643	-	-
Redbanc S.A.	Other related parties	Money dispensing services and delivery of information and data through ATMs	5 years	Automatic renewal for 3 years	Conditions equivalent to the market on the date these were made	5,251	-	5,109	-	-
Nexus Payment Systems SpA	Other related parties	Credit Card operation service	2 years	Automatic renewal	Conditions equivalent to the market on the date these were made	8,867	-	7,853	-	-
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	4,058	-	2,098	-	-
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	1,263	-	1,263	-	-
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	24,910	11,500	13,398	-	12
The Bank of Nova Scotia	Parent	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	3,291	3,291	-	-	-
The Bank of Nova Scotia	Parent	Technology and project services	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	17,156	-	13,758	-	3,398
Scotiabank Perú S.A.	Other related parties	Regional Technological Support.	Undefined	Automatic renewal	Conditions equivalent to the market on the date these were made	2,328	-	1,344	-	-

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

	12/31/2024 MCh$	12/31/2023 MCh$
Board:		
Payment of remunerations and allowances of the Board of Directors - Bank and Bank subsidiaries	834	802
Subtotal	**834**	**802**
Key personnel of the Bank´s Management and Subsidiaries:		
Short-term payment for employee benefits	22,740	21,285
Payment of post-employment benefits to employees	-	-
Long-term payment for employee benefits	660	167
Payments for benefits to employees for contract termination	780	467
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	**24,180**	**21,919**
Total	**25,014**	**22,721**

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

	No. of Executive	
	12/31/2024	12/31/2023
Board		
Directors - Bank and Bank´s Subsidiaries	8	8
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	63
Division/Area Managers - Bank´s Subsidiaries	16	18
Total	**109**	**100**

Note 44 Fair Value of financial assets and liabilities

Determination of the fair value of financial instruments

A comparison between the carrying amount at which the Bank's financial assets and liabilities are recorded and their related fair value as at December 31, 2024 and 2023 is detailed as follows:

	Note	Recorded amount 12/31/2024 MCh$	Estimated fair value 12/31/2024 MCh$
ASSETS			
Cash and deposits in banks	7	866,475	866,475
Transactions pending settlement	7	604,970	604,970
Financial assets to be traded at fair value through profit or loss			
Financial derivatives contracts	8	6,153,446	6,153,446
Debt financial instruments	8	618,883	618,883
Other	8	22,878	22,878
Financial assets at fair value through other comprehensive income			
Debt financial instruments	11	1,889,506	1,889,506
Financial derivative contracts for accounting hedge	12	330,263	330,263
Financial assets at amortized cost			
Rights for repurchase arrangements and securities loan	13	262,360	261,895
Debt financial instruments	13	25,767	23,786
Owed by banks	13	1,564	1,564
Loans and accounts receivable from customers - Commercial	13	13,804,771	13,998,771
Loans and accounts receivable from customers - Mortgage	13	14,111,555	12,924,819
Loans and accounts receivable from customers - Consumer	13	4,038,882	3,912,616
Securitized bonds		12,737	13,063
LIABILITIES			
Transactions pending settlement	7	455,278	455,278
Financial liabilities to be traded at fair value through profit or loss			
Financial derivatives contracts	21	5,214,340	5,214,340
Financial derivative contracts for accounting hedge	12	1,554,070	1,554,070
Financial liabilities at amortized cost			
Deposits and other on-demand obligations	22	5,605,991	5,605,033
Deposits and other time deposits	22	13,130,590	13,319,646
Obligations for repurchase arrangements and securities loans	22	501,243	500,972
Obligations with banks	22	2,455,157	2,492,091
Debt financial instruments issued	22	8,110,081	7,874,842
Other financial obligations	22	199,572	199,572
Issued regulatory capital financial instruments	23	1,953,891	1,990,316

	Note	Recorded amount 12/31/2023 MCh$	Estimated fair value 12/31/2023 MCh$
ASSETS			
Cash and deposits in banks	7	1,209,884	1,209,884
Transactions pending settlement	7	389,141	389,141
Financial assets to be traded at fair value through profit or loss			
Financial derivatives contracts	8	5,694,324	5,694,324
Debt financial instruments	8	193,820	193,820
Other	8	56,197	56,197
Financial assets at fair value through other comprehensive income			
Debt financial instruments	11	2,188,905	2,188,905
Financial derivative contracts for accounting hedge	12	317,308	317,308
Financial assets at amortized cost			
Rights for repurchase arrangements and securities loan	13	226,394	225,559
Debt financial instruments	13	1,387,601	1,386,004
Owed by banks	13	25,223	25,223
Loans and accounts receivable from customers - Commercial	13	13,738,775	13,671,515
Loans and accounts receivable from customers - Mortgage	13	13,846,343	11,794,649
Loans and accounts receivable from customers - Consumer	13	3,814,689	3,826,427
Securitized bonds		13,268	13,113
LIABILITIES			
Transactions pending settlement	7	333,372	333,372
Financial liabilities to be traded at fair value through profit or loss			
Financial derivatives contracts	21	4,606,750	4,606,750
Financial derivative contracts for accounting hedge	12	1,455,656	1,455,656
Financial liabilities at amortized cost			
Deposits and other on-demand obligations	22	4,850,696	4,848,811
Deposits and other time deposits	22	13,181,368	13,368,736
Obligations for repurchase arrangements and securities loans	22	163,647	163,647
Obligations with banks	22	5,368,647	5,215,123
Debt financial instruments issued	22	8,186,492	7,811,727
Other financial obligations	22	156,392	156,392
Issued regulatory capital financial instruments	23	1,201,214	1,216,408

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

Analysis and explanation of calculations

For assets recorded at amortized cost, to determine their fair value, the market curve of each currency was used plus an estimate of the spread of each of the main types of products as at December 31, 2024 and 2023. 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. Instruments and criteria defined are the following:

  a) Local Government debt securities that do not meet the requirements defined for Level 1.
  b) Corporate debt securities.
  c) Domestic equity securities not complying with the requirement of being traded in the stock market defined by Bolsa de Santiago.

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

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

  a) Housing lease bonds (BVL).
  b) Local and foreign investment funds.
  c) Domestic equity securities of private companies (limited liability companies).

The level in the hierarchy into which a measurement is classified is based on the lowest level of input that is significant to the fair value measurement in its entirety. The table below presents the assets and liabilities that are measured at fair value on a recurring basis as at December 31, 2024 and 2023:

As at December 31, 2024	Carrying amount MCh$	Fair value measures Level 1 MCh$	Level 2 MCh$	Level 3 MCh$
Assets				
Financial assets to be traded at fair value through profit or loss	6,795,207	22,878	6,772,329	-
Financial assets at fair value with changes in other comprehensive income	1,889,506	-	1,889,506	-
Financial derivative contracts for accounting hedge	330,263	-	330,263	-
Securitized bonds	12,737	-	-	13,063
Total assets	**9,027,713**	**22,878**	**8,992,098**	**13,063**
Liabilities				
Financial derivative contracts	5,214,340	-	5,214,340	-
Financial derivative contracts for accounting hedge	1,554,070	-	1,554,070	-
Total liabilities	**6,768,410**	**-**	**6,768,410**	**-**

As at December 31, 2023	Carrying amount MCh$	Fair value measures Level 1 MCh$	Level 2 MCh$	Level 3 MCh$
Assets				
Financial assets to be traded at fair value through profit or loss	5,944,341	56,197	5,888,144	-
Financial assets at fair value with changes in other comprehensive income	2,188,905	-	2,188,905	-
Financial derivative contracts for accounting hedge	317,308	-	317,308	-
Securitized bonds	13,268	-	-	13,113
Total assets	**8,463,822**	**56,197**	**8,394,357**	**13,113**
Liabilities				
Financial derivative contracts	4,606,750	-	4,606,750	-
Financial derivative contracts for accounting hedge	1,455,656	-	1,455,656	-
Total liabilities	**6,062,406**	**-**	**6,062,406**	**-**

Sensitivity analysis for financial instruments under Level 3

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

As at December 31, 2024	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%	(201) 207

As at December 31, 2023	Valuation technique	Significant unobservable data	Range of estimates for unobservable data	Changes in fair value from reasonably possible alternatives(in MCh$)
Other assets				
Securitized bonds	Comparable in the market	Market TIR	+1% -1%	(336) 352

Scotiabank

Note 45 Maturity per remaining balances of financial assets and liabilities

The detail of this line item is as follows:

As at December 31, 2024	Note	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up 3 years	More than 3 up to 5 years	More than 5 years	Total
		MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash and deposits in banks	7	866,475	-	-	-	-	-	-	**866,475**
Transactions pending settlement	7	604,970	-	-	-	-	-	-	**604,970**
Financial assets to be traded at fair value through profit or loss									
Financial derivative contracts (1)	8	94	229,179	343,334	929,154	1,674,175	1,295,348	1,682,162	**6,153,446**
Debt financial instruments (2)	8	-	36,211	11,195	153,040	78,763	23,643	316,031	**618,883**
Other	8	19,546	3,332	-	-	-	-	-	**22,878**
Financial assets at fair value through other comprehensive income									
Debt financial instruments (2)	11	-	-	499,327	108	151,596	328,084	910,391	**1,889,506**
Other	11	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	12	-	92	1,590	27,792	163,384	82,023	55,382	**330,263**
Financial assets at amortized cost									
Rights for repurchase arrangements and securities loans	13	-	255,222	6,216	922	-	-	-	**262,360**
Debt financial instruments	13	-	-	-	-	-	25,767	-	**25,767**
Owed by banks	13	1,564	-	-	-	-	-	-	**1,564**
Loans and accounts receivable from customers (3)	13	1,927,696	1,720,104	1,944,065	4,842,640	6,524,203	3,453,673	12,304,991	**32,717,372**
Total financial assets		**3,420,345**	**2,244,140**	**2,805,727**	**5,953,656**	**8,592,121**	**5,208,538**	**15,268,957**	**43,493,484**
Transactions pending settlement	7	455,278	-	-	-	-	-	-	**455,278**
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	-	241,923	282,830	713,277	1,546,945	982,285	1,447,080	**5,214,340**
Other	21	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge (1)	12	6,618	9,442	14,665	228,362	704,496	239,855	350,632	**1,554,070**
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	5,579,616	26,375	-	-	-	-	-	**5,605,991**
Deposits and other term deposits	22	619,967	5,705,863	2,117,225	3,280,916	1,406,572	21	26	**13,130,590**
Obligations for repurchase arrangements and securities lending	22	-	501,243	-	-	-	-	-	**501,243**
Obligations with banks	22	214	123,426	95,848	1,345,402	397,896	492,371	-	**2,455,157**
Debt financial instruments issued	22	880	-	201	1,078,294	2,192,025	1,228,885	3,609,796	**8,110,081**
Other Financial Obligation	22	56,697	48,723	45,911	48,078	163	-	-	**199,572**
Obligations for lease contracts	17	-	923	2,596	8,255	22,800	22,862	80,772	**138,208**
Regulatory capital financial instruments issued	23	-	-	-	279	52,425	16,738	1,884,449	**1,953,891**
Total financial liabilities		**6,719,270**	**6,657,918**	**2,559,276**	**6,702,863**	**6,323,322**	**2,983,017**	**7,372,755**	**39,318,421**
Net financial position		**(3,298,925)**	**(4,413,778)**	**246,451**	**(749,207)**	**2,268,799**	**2,225,521**	**7,896,202**	**4,175,063**

As at December 31, 2023	Note	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up 3 years	More than 3 up to 5 years	More than 5 years	Total
		MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash and deposits in banks	7	1,209,884	-	-	-	-	-	-	**1,209,884**
Transactions pending settlement	7	389,141	-	-	-	-	-	-	**389,141**
Financial assets to be traded at fair value through profit or loss									
Financial derivative contracts (1)	8	-	283,840	352,034	834,023	1,481,089	963,671	1,779,667	**5,694,324**
Debt financial instruments (2)	8	-	2,200	2,317	147,166	16,868	9,384	15,885	**193,820**
Other	8	45,946	10,251	-	-	-	-	-	**56,197**
Financial assets at fair value through other comprehensive income									
Debt financial instruments (2)	11	772	-	49,190	504,000	834,972	59,377	740,594	**2,188,905**
Other	11	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	12	-	856	6,860	66,205	105,350	43,588	94,449	**317,308**
Financial assets at amortized cost									
Rights for repurchase arrangements and securities loans	13	-	208,948	16,589	857	-	-	-	**226,394**
Debt financial instruments	13	-	-	-	1,359,475	-	-	28,126	**1,387,601**
Owed by banks	13	244	19,805	4,884	290	-	-	-	**25,223**
Loans and accounts receivable from customers (3)	13	1,805,991	1,356,736	2,080,750	5,123,069	5,657,477	3,762,840	12,319,467	**32,106,330**
Total financial assets		**3,451,978**	**1,882,636**	**2,512,624**	**8,035,085**	**8,095,756**	**4,838,860**	**14,978,188**	**43,795,127**
Transactions pending settlement	7	333,372	-	-	-	-	-	-	**333,372**
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	-	181,377	197,424	647,825	1,220,546	875,623	1,483,955	**4,606,750**
Other	21	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge (1)	12	-	21,292	74,350	117,327	499,482	338,222	404,983	**1,455,656**
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	4,838,095	12,601	-	-	-	-	-	**4,850,696**
Deposits and other term deposits	22	599,346	5,775,604	2,225,052	3,692,406	888,846	88	26	**13,181,368**
Obligations for repurchase arrangements and securities lending	22	52,515	107,601	3,531	-	-	-	-	**163,647**
Obligations with banks	22	4,366	12,908	318,601	4,272,453	279,658	480,661	-	**5,368,647**
Debt financial instruments issued	22	1,022	3,515	145,583	862,991	2,348,089	1,271,363	3,553,929	**8,186,492**
Other Financial Obligation	22	53,212	47,532	36,202	19,281	165	-	-	**156,392**
Obligations for lease contracts	17	-	921	2,600	8,217	22,044	22,908	92,618	**149,308**
Regulatory capital financial instruments issued	23	-	-	1,298	-	513	67,014	1,132,389	**1,201,214**
Total financial liabilities		**5,881,928**	**6,163,351**	**3,004,641**	**9,620,500**	**5,259,343**	**3,055,879**	**6,667,900**	**39,653,542**
Net financial position		**(2,429,950)**	**(4,280,715)**	**(492,017)**	**(1,585,415)**	**2,836,413**	**1,782,981**	**8,310,288**	**4,141,585**

(1) The amounts of the maturities were determined based on the fair values (MTM) of the financial instruments.
(2) The amounts of the maturities were determined based on the nominal values of the financial instruments.
(3) Gross loans, without considering provisions for credit risk.

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	Ch$	UF	Adjustable Exchange Rate	US$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total
							As at December 31, 2024						
	No.	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash and deposits in banks	7	516,742	-	-	320,047	-	943	11,782	1,710	238	977	14,036	**866,475**
Transactions pending settlement	7	313,408	-	-	273,499	-	1,868	11,243	264	-	-	4,688	**604,970**
Financial assets to be traded at fair value through profit or loss	8	6,502,805	279,559	-	12,843	-	-	-	-	-	-	-	**6,795,207**
Financial assets at fair value through other comprehensive income	11	1,544,414	305,465	-	14,510	-	-	25,117	-	-	-	-	**1,889,506**
Financial derivative contracts for accounting hedge	12	329,557	-	-	706	-	-	-	-	-	-	-	**330,263**
Financial assets at amortized cost	13	8,351,328	19,000,752	152,529	4,644,777	-	-	44,147	-	24,391	26,975	-	**32,244,899**
Total financial assets		**17,558,254**	**19,585,776**	**152,529**	**5,266,382**	**-**	**2,811**	**92,289**	**1,974**	**24,629**	**27,952**	**18,724**	**42,731,320**
Transactions pending settlement	7	345,420	-	-	92,206	-	1,868	10,916	263	-	-	4,605	**455,278**
Financial liabilities to be traded at fair value through profit or loss	21	5,214,340	-	-	-	-	-	-	-	-	-	-	**5,214,340**
Financial derivative contracts for accounting hedge	12	1,554,070	-	-	-	-	-	-	-	-	-	-	**1,554,070**
Financial liabilities at amortized cost	22	15,093,460	7,329,892	-	6,869,376	-	151	34,114	422,939	169,106	27,455	56,141	**30,002,634**
Obligations for lease contracts	17	5	138,203	-	-	-	-	-	-	-	-	-	**138,208**
Issued regulatory capital financial instruments	23	-	1,257,573	-	696,318	-	-	-	-	-	-	-	**1,953,891**
Total financial liabilities		**22,207,295**	**8,725,668**	**-**	**7,657,900**	**-**	**2,019**	**45,030**	**423,202**	**169,106**	**27,455**	**60,746**	**39,318,421**
Net financial position		**(4,649,041)**	**10,860,108**	**152,529**	**(2,391,518)**	**-**	**792**	**47,259**	**(421,228)**	**(144,477)**	**497**	**(42,022)**	**3,412,899**

Financial Assets-Liabilities	Note	Ch$	UF	Adjustable Exchange Rate	US$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total
							As at December 31, 2023						
	No.	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash and deposits in banks	7	772,612	-	-	407,613	-	3,221	15,956	1,266	400	730	8,086	**1,209,884**
Transactions pending settlement	7	213,087	-	-	160,498	-	8,740	3,531	-	-	582	2,703	**389,141**
Financial assets to be traded at fair value through profit or loss	8	5,786,424	120,259	-	37,658	-	-	-	-	-	-	-	**5,944,341**
Financial assets at fair value through other comprehensive income	11	1,759,754	367,059	-	36,130	-	-	25,962	-	-	-	-	**2,188,905**
Financial derivative contracts for accounting hedge	12	317,308	-	-	-	-	-	-	-	-	-	-	**317,308**
Financial assets at amortized cost	13	9,704,638	18,431,124	128,171	4,736,663	-	-	27,805	-	6,279	4,346	(1)	**33,039,025**
Total financial assets		**18,553,823**	**18,918,442**	**128,171**	**5,378,562**	**-**	**11,961**	**73,254**	**1,266**	**6,679**	**5,658**	**10,788**	**43,088,604**
Transactions pending settlement	7	153,417	-	-	163,769	-	7,588	7,155	-	-	359	1,084	**333,372**
Financial liabilities to be traded at fair value through profit or loss	21	4,606,750	-	-	-	-	-	-	-	-	-	-	**4,606,750**
Financial derivative contracts for accounting hedge	12	1,455,656	-	-	-	-	-	-	-	-	-	-	**1,455,656**
Financial liabilities at amortized cost	22	16,713,978	7,709,144	-	6,833,632	-	37	31,030	401,164	159,678	4,522	54,057	**31,907,242**
Obligations for lease contracts	17	9	149,299	-	-	-	-	-	-	-	-	-	**149,308**
Issued regulatory capital financial instruments	23	-	1,201,214	-	-	-	-	-	-	-	-	-	**1,201,214**
Total financial liabilities		**22,929,810**	**9,059,657**	**-**	**6,997,401**	**-**	**7,625**	**38,185**	**401,164**	**159,678**	**4,881**	**55,141**	**39,653,542**
Net financial position		**(4,375,987)**	**9,858,785**	**128,171**	**(1,618,839)**	**-**	**4,336**	**35,069**	**(399,898)**	**(152,999)**	**777**	**(44,353)**	**3,435,062**

(*) Ch**$** = Chilean pesos / **UF** = Chilean inflation-adjusted units / **US$** = United States dollars / **COP** = Pesos colombianos / **GBP** = Pound Sterling / **EUR** = Euros / **CHF** = Swiss francs / **JPY** = Japanese yens / **CNY** = Chinese renminbis.

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

Non-Financial Assets-Liabilities	Note	As at December 31, 2024											
		Ch$	UF	Adjustable Exchange Rate	US$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total
	No.	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Investment in companies	14	38,745	-	-	-	-	-	11	-	-	-	-	**38,756**
Intangible assets	15	255,606	-	-	-	-	-	-	-	-	-	-	**255,606**
Property, equipment	16	74,715	-	-	-	-	-	-	-	-	-	-	**74,715**
Assets for the right to use leased assets	17	145,143	-	-	-	-	-	-	-	-	-	-	**145,143**
Current taxes	18	-	3,832	-	-	-	-	-	-	-	-	-	**3,832**
Deferred taxes	18	403,213	-	-	-	-	-	-	-	-	-	-	**403,213**
Other assets	19	236,860	22,497	-	586,784	-	-	1,331	-	-	-	582	**848,054**
Non-current assets and disposal groups held for sale	20	20,735	-	-	-	-	-	-	-	-	-	-	**20,735**
Total non-financial assets		**1,175,017**	**26,329**	**-**	**586,784**	**-**	**-**	**1,342**	**-**	**-**	**-**	**582**	**1,790,054**
Provisions for contingencies	24	43,621	-	-	-	-	-	-	-	-	-	79	**43,700**
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	129,884	-	-	3,775	-	-	-	-	-	-	-	**133,659**
Special provisions for credit risk	26	182,847	-	-	9,376	17	-	34	-	28	35	-	**192,337**
Current taxes	18	2,567	-	-	-	-	-	-	-	-	-	-	**2,567**
Deferred taxes	18	836	-	-	-	-	-	-	-	-	-	-	**836**
Other liabilities	27	212,608	35,263	-	725,012	420	12	2	-	7		9,189	**982,513**
Total non-financial liabilities		**572,363**	**35,263**	**-**	**738,163**	**437**	**12**	**36**	**-**	**35**	**35**	**9,268**	**1,355,612**
Net non-financial position		**602,654**	**(8,934)**	**-**	**(151,379)**	**(437)**	**(12)**	**1,306**	**-**	**(35)**	**(35)**	**(8,686)**	**434,442**

Non-Financial Assets-Liabilities	Note	As at December 31, 2023											
		Ch$	UF	Adjustable Exchange Rate	US$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total
	No.	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Investment in companies	14	34,209	-	-	-	-	-	11	-	-	-	-	**34,220**
Intangible assets	15	255,425	-	-	-	-	-	-	-	-	-	-	**255,425**
Property, equipment	16	84,327	-	-	-	-	-	-	-	-	-	-	**84,327**
Assets for the right to use leased assets	17	159,569	-	-	-	-	-	-	-	-	-	-	**159,569**
Current taxes	18	9	2,404	-	-	-	-	-	-	-	-	-	**2,413**
Deferred taxes	18	360,658	-	-	-	-	-	-	-	-	-	-	**360,658**
Other assets	19	287,523	21,332	-	398,204	-	-	890	-	-	-	582	**708,531**
Non-current assets and disposal groups held for sale	20	19,734	-	-	-	-	-	-	-	-	-	-	**19,734**
Total non-financial assets		**1,201,454**	**23,736**	**-**	**398,204**	**-**	**-**	**901**	**-**	**-**	**-**	**582**	**1,624,877**
Provisions for contingencies	24	55,152	-	-	-	-	-	-	-	-	-	122	**55,274**
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	122,388	-	-	-	-	-	-	-	-	-	-	**122,388**
Special provisions for credit risk	26	181,333	-	-	11,697	17	-	53	-	24	10	-	**193,134**
Current taxes	18	63,222	-	-	-	-	-	-	-	-	-	-	**63,222**
Deferred taxes	18	795	-	-	-	-	-	-	-	-	-	-	**795**
Other liabilities	27	233,024	30,327	-	780,353	814	22	21	-	7	-	5,580	**1,050,148**
Total non-financial liabilities		**655,914**	**30,327**	**-**	**792,050**	**831**	**22**	**74**	**-**	**31**	**10**	**5,702**	**1,484,961**
Net non-financial position		**545,540**	**(6,591)**	**-**	**(393,846)**	**(831)**	**(22)**	**827**	**-**	**(31)**	**(10)**	**(5,120)**	**139,916**

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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.

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 of Directors**

Being the highest part of the Bank's risk management structure, it provides supervision, either directly or through its support committees, to ensure that decision-making is consistent with strategies and risk appetite. The Board of Directors receives regular updates on the main risks of the Bank, including a summary of the Bank's risk profile, main and emerging risks together with the performance of the portfolio with respect to the defined limits, and approves the key risk policies, the limits and the risk appetite framework.

Decision-making is centralized in several committees related to risk management, among which the following stand out:

- **Risk committee**

Corresponds to a support committee, which helps the Bank's Board of Directors of in the supervision of risk management, which includes institutional risk, credit risk, market risk and operational risk faced by the Bank, to facilitate its monitoring and supervision. Likewise, it provides the Board of Directors with updated information on the Bank's risk management.

- **Assets and liabilities committee, (ALCO)**

The mission of this Committee is to deliver strategic guidelines that allow for the proper management of the Bank's financial structure, in accordance with the objectives set by the Board of Directors and the Bank's policies. This committee is made up of members of the senior management, whose responsibility is to supervise the evolution of the balance sheet and long-term strategies, becoming a focus for discussion and resolution of the several issues concerning growth, funding, products, pricing, risks and Bank’s profit or loss.

- **Model committee**

The model committee is a body created to define and approve the preparation, application, monitoring, validation and implementation of the models and strategies defined in the risk management policy, as well as their modifications and relevant changes.

- **Capital management and profitability committee**

The Capital Management and Profitability Committee's mission is to provide strategic guidelines to maximize the Bank's profitability within the internal and regulatory risk appetite, in accordance with the objectives set by the Board of Directors and the policies of Scotiabank Chile (SBC).

- **Committee for the prevention of money laundering and financing of terrorism of the Bank and its subsidiaries**

Promotes and facilitates in the Bank and subsidiaries the observance of regulations and best practices to prevent, detect and report unusual operations that could be linked to money laundering.

- **Consequence Management Committee**

The Consequence Management Committee is intended to oversee the management of conduct risk in the Bank, through general direction and guidance, promoting the consistent and collaborative application of the guiding principles contained in the Code of Conduct throughout the Bank, being responsible for the governance and oversight of local conduct risk. In line with this, it is responsible for ensuring effective conduct risk management that ensures clear and permanent communication of the Bank's values and its global principles with respect to the required ethical conduct.

• External Suppliers Committee of Scotiabank Chile and Subsidiaries

It manages in a central and unified manner the issues related to the different aspects of outsourcing of the Bank and its Subsidiaries with external suppliers, or with other members of the Group.

• Liquidity contingency committee

The liquidity contingency committee is the highest decision-making body within the institution during a liquidity stress event, being the point of contact and consultation for the different areas of the Bank. The committee may be convened and activated by the Executive Vice President-Country Head, in his/her capacity as Chairman and Officer in charge, or in his/her absence by the Regional Vice President Treasurer or by resolution of ALCO. Activation can be based on the evaluation of early warnings of a potential liquidity stress event, contemplated in the liquidity policy and on all available information. When the liquidity situation does not allow waiting until the next ALCO meeting, the Chairman and Officer in Charge of the Committee, or in his/her absence the Regional Vice President Treasurer, has the authority to convene and activate the liquidity contingency plan.

• Non-financial risk management committee of the Bank and subsidiaries

Provide high-level supervision of non-financial risks (operational risks, information security, business continuity, risks in outsourced services, new products and initiatives, compliance, regulatory and reputational reports), providing a strategic approach and coordinating the development of local internal control programs.

• Audit committee

Corresponds to a support committee for the Bank's Board of Directors, which is in charge of the different aspects that involve efficiency, maintenance, application and operation of the internal control systems of the Bank and its subsidiaries; carefully monitor compliance with the regulatory standards and procedures that govern their practice; have a clear understanding of the risks that the business performed may mean for the institution; reinforce and support the function of the Comptroller's Office, as well as its independence from management and serve as a link and coordinator of tasks between the internal audit and the external auditors, also acting as a link between them and the Bank's Board of Directors.

Risk division

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

Certain key tasks in risk management performed by the risk units are, but are not limited to:

Retail credit management

- Evaluation of credit risk, exceptions and other credit operations of the different service channels, for Consumer Finance, Persons, Retail Finance, Micro-enterprises and SMEs.

- Carry out comprehensive strategic collection management hand in hand and aligned with the Bank's policy compliance and lead projects related to automation or improvements in collection systems.

Wholesale credit management

- Evaluate loans, exceptions and other operations of the different service channels for the business, large business, wholesale, corporate and real estate portfolios.

Risk data engineering and reporting

- Centralize the areas of engineering and risk data management in order to homogenize, standardize, streamline and reduce the risk of data processing and reporting (including regulatory provisions).
- Coordinate within risk the tasks related to Basel III, generating EESAR (Effective Equity Self-Assessment Report) and stress tests.
- Model risk is one that produces adverse financial results (for example, capital, losses, income) and reputation, arising from poor specifications, incorrect assumptions, computation errors, lack of controls, among other things, in the design, development, implementation and/or use of models.

Standardization companies and BRP

- Manages debtors transferred from the commercial areas (corporate, large companies, wholesale, real estate and companies) including the lease operations and factoring transactions portfolio, which present problems in meeting their obligations with the bank or show impairment in their economic or financial position. It should be noted that this management is also responsible for administering and managing the sale of assets awarded and received in lieu of payment.

Market risk management

- Correctly measure and report to Senior Management the risks incurred by Scotiabank Group in Chile due to changes in prices and liquidity, so that these are managed in accordance with the Bank's risk appetite and expectations complying with local and the Parent's regulations.
- In view of the announcement issued by the Financial Conduct Authority (FCA), regarding that LIBOR rates would no longer be published, the Chilean market assessed the replacement with new benchmark rates such as SOFR, ESTR and SONIA.
- The Bank adopted the required actions to comply with the standard "Interest Rate Benchmark Reform Stage 2", identifying all transactions affected by the change in the benchmark rate, implementing the necessary IT developments to support the new rate model, drafting the legal language to be included in the contracts and promissory notes, both for those transactions maturing after the end of the publication of LIBOR rates, and for those transactions performed using the new benchmark rate, adhered to not providing loans under LIBOR from January 2022, only providing financing to third parties at SOFR and made valuation price changes at SOFR curves.

As at December 31, 2023, there is a balance of MM$9,692 in USD indexed at LIBOR, the remediation of which is pending. As at December 31, 2024, there are no transactions not yet remedied.

Enterprise risk management

Develop and implement methods to identify, assess, measure, and monitor the operational, cybersecurity and technological, data, business continuity 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, and having the necessary capacities to avoid or mitigate the impact of an event that causes a disruption of operations in one or more business units.

- Information technology (IT) risk relates to the risk of financial loss, disruption or reputational damage due to a failure in IT systems.

- Cybersecurity risk is the risk of loss of confidentiality, integrity or availability of information, data or information systems, and reflects the potential adverse impacts on the organization's operations and assets, customers and other stakeholders.

- Data risk is the exposure to adverse financial or non-financial consequences due to mismanagement, misinterpretation or misuse of the Bank's data assets. This risk can arise from poor data quality; inadequate data management or data architecture; and/or unethical use of data.

- 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.

- Implement the risk management framework and the risk appetite framework as the monitoring of risk appetite metrics, responsible for the risk culture, the crisis recovery plan as well as determining the Bank's risk profile.

Compliance

- Support management through the application of the compliance program and in implementation of the rules issued by regulatory bodies and corporate procedures of Scotiabank Chile and its subsidiaries; monitor and advise on the application of the Bank's code of conduct; and support senior management in the identification and management of the risk of non-compliance.

- Collaborate with Management to establish a crime prevention model as required by Law No.20393, on criminal liability of legal entities and ensure its effective implementation and application.

Prevention of money laundering and financing of terrorism

- Keep a program to 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 regulatory and 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.

The Bank also has differentiated models to establish the appropriate amount of potential losses, based on the following models based on individual and collective analysis of debtors:

Individual assessment:

Debtors having the characteristics described in Note 2 "Significant accounting policies", letter (aa) "Special allowances for credit losses" are considered as individually evaluated commercial portfolio.

In accordance with Chapter B-1 of the CNC for Banks issued by the CMF, the individual assessment considers the following segments:

a) Regular portfolio: Includes those customers whose payment capacity allows them to meet their financial obligations and ranges from category A1 to A6.

b) Substandard portfolio: Includes debtors with financial problems or who have been in arrears for more than 30 days. It ranges from category B1 to B4.

c) Portfolio in default: Includes debtors with insufficient payment capacity in foreseeable situations. The categories used range from C1 to C6.

Collective assessment - Collective expected loss models:

The Bank has an adequate structure for the administration of credit loss models, with independence of functions in accordance with good practices and local regulations.

In addition, a model committee exists to which the development of the models, their validation and their follow-up are presented for approval, both from the performance and sufficiency of allowances standpoint, which allows for adequate control of collective allowances. The aforementioned validation is performed by an internal area different from the area developing such models, carrying out an objective review and without conflicts of interest.

There is a model risk management policy (MRMP) that follows the Risk Management's internal guidelines that allow developments to show a standard defined by the Bank, regardless of the team that performs the work. The guidelines cover different stages in the model life cycle such as: collective models methodology, monitoring and control, data validation, model validation and model development, and adequacy of allowances.

In addition, in order to have adequate support and analysis, there are technical notes that cover relevant points in the development of models, such as, for example, the recessive period to be considered or the discount rate that should be used in the calculation of the parameter of loss given default.

All models have a risk rating based on their use, maturity, typology, materiality and complexity.

Thus, the allowance models are integrated with the management of account administration, collections and account origination.

The different collective credit risk models are presented below according to the Bank's portfolios:

Non-retail 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 level, which are grouped as follows: renegotiated customers, and non-renegotiated customers.

In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: lease, student and other commercial. These matrices are generally double-entry where an expected loss (EL) assigned according to the delinquency tranche and guarantee coverage must be applied. The model providing the greatest allowances between the internal or standard model is then applied.

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: lease, student and other commercial. These matrices are generally double-entry where an EL assigned according to the delinquency tranche and guarantee coverage must be applied. The model providing the greatest allowances between the internal or standard model is then applied.

Mortgage model

Mortgage model is applicable to customers with an operation classified as mortgage loans (for new and old customers). Customers are evaluated at Taxpayer ID No. level. In addition, has a standard model determined by CMF in a double-entry matrix where an EL must be applied by tranches of default and tranches of loan to value (LTV). The model that calculates the highest expected losses is then applied.

Consumption model

It applies to customers with an operation classified as consumption. There are various consumption models and they are applied to each account as appropriate, seeking the lowest rating at the customer level for the PD calculation. Models are: quota consumption (for new and old customers), revolving consumption, renegotiated consumption (at customer level) and agreements.

CAT subsidiary allowance model

The model used for subsidiary CAT uses the same formulation as for the collective consumption model, based on a statistical model with probability of default (PD) and a loss given default (LGD). Models are integrated with the management of the customer; e.g., for non-payment of obligations, considering the different CAT recovery and collection strategies.

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 December 31, 2024							
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	1,305	123,229	-	-	-	-	130,343	254,877
A2	260	3,024,450	39,208	12,956	-	-	788,521	3,865,395
A3	-	1,679,845	159,346	31,658	-	-	81,704	1,952,553
A4	-	2,032,618	349,189	57,862	-	-	158,434	2,598,103
A5	-	1,823,266	187,913	70,062	-	-	66,981	2,148,222
A6	-	1,156,035	72,908	84,361	-	-	51,210	1,364,514
B1	-	211,299	19,098	569	-	-	3,189	234,155
B2	-	205,805	7,266	-	-	-	5,461	218,532
B3	-	192,861	8,889	5,130	-	-	9,922	216,802
B4	-	183,389	3,857	-	-	-	2,402	189,648
C1	-	109,833	4,103	2,077	-	-	1,513	117,526
C2	-	152,952	4,854	-	-	-	367	158,173
C3	-	69,864	551	-	-	-	13	70,428
C4	-	39,566	479	-	-	-	60	40,105
C5	-	68,481	1,258	-	-	-	131	69,870
C6	-	50,381	4	283	-	-	3,006	53,674
Total	**1,565**	**11,123,874**	**858,923**	**264,958**	**-**	**-**	**1,303,257**	**13,552,577**

	As at December 31, 2023							
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	12,354	73,442	-	628	-	-	73,377	159,801
A2	12,884	2,948,951	55,039	34,679	-	-	540,795	3,592,348
A3	-	1,728,678	140,392	19,817	-	-	91,680	1,980,567
A4	-	2,687,686	328,084	117,092	-	-	218,982	3,351,844
A5	-	1,260,656	169,212	83,484	-	-	62,398	1,575,750
A6	-	1,098,749	64,978	34,805	-	-	18,272	1,216,804
B1	-	314,932	14,450	26,120	-	-	4,077	359,579
B2	-	205,255	12,945	3,090	-	-	6,590	227,880
B3	-	213,303	6,116	-	-	-	10,771	230,190
B4	-	75,611	4,395	-	-	-	3,101	83,107
C1	-	121,628	3,383	2,131	-	-	124	127,266
C2	-	36,848	6,507	-	-	-	6	43,361
C3	-	22,494	1,263	-	-	-	17	23,774
C4	-	18,162	1,095	-	-	-	19	19,276
C5	-	76,016	560	721	-	-	832	78,129
C6	-	55,492	2,050	780	-	-	462	58,784
Total	**25,238**	**10,937,903**	**810,469**	**323,347**	**-**	**-**	**1,031,503**	**13,128,460**

Credit quality by class of financial asset – Collective assessment

For collective assessment, credit quality is presented (regular or in default), tabulating loans according to the class of financial asset.

As at December 31, 2024								
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	-	1,646,782	28,401	718	3,912,986	13,630,490	564,898	19,784,275
Default	-	255,773	2,406	22	463,770	528,269	25,268	1,275,508
Total	**-**	**1,902,555**	**30,807**	**740**	**4,376,756**	**14,158,759**	**590,166**	**21,059,783**

As at December 31, 2023								
Group evaluation	Owed by banks	Commercial loans	Commercial leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Regular	-	1,711,864	28,570	407	3,724,903	13,485,431	555,164	19,506,339
Default	-	252,818	1,854	135	422,348	406,281	25,548	1,108,984
Total	**-**	**1,964,682**	**30,424**	**542**	**4,147,251**	**13,891,712**	**580,712**	**20,615,323**

Financial assets at amortized cost

The following stages are defined for individual and collective assessment:

Stage	Description	Individual	Group
Stage 1	Assets without a significant increase in credit risk since initial recognition	A1 to A6	Regular
Stage 2	Assets with a significant increase in credit risk since initial recognition but without credit impairment	B1 to B4	Substandard
Stage 3	Credit-impaired assets	C1 to C6	Default

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

As at December 31, 2024	Stage 1 MCh$	Stage 2 MCh$	Stage 3 MCh$	Total MCh$
Individual				
Owed by banks	1,565	-	-	1,565
Loans and accounts receivable	12,182,099	859,137	509,776	13,551,012
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	19,784,277	-	1,275,506	21,059,783
Total	**31,967,941**	**859,137**	**1,785,282**	**34,612,360**

As at December 31, 2023	Stage 1 MCh$	Stage 2 MCh$	Stage 3 MCh$	Total MCh$
Individual				
Owed by banks	25,238	-	-	25,238
Loans and accounts receivable	11,851,876	900,756	350,590	13,103,222
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	19,506,339	-	1,108,984	20,615,323
Total	**31,383,453**	**900,756**	**1,459,574**	**33,743,783**

Collateral

Collateral accepted by the Bank comply with the requirements established in Chapter 12-3 of the RAN, which establishes that for the purposes of the individual credit limit, all sureties constituted on real or personal property are collateral. Collateral (co-debtors or sureties), as well as those constituted on bills of exchange, commercial promissory notes, shares and, in general, all those that do not affect tangible property, will not be considered for these purposes, except for certain specific documents indicated in the regulations and that comply with the conditions indicated therein. Having guarantees reduces the risk for the Bank.

For the group and individual evaluation, the collateral limitation amount for customers with secured transactions is classified into the following categories:

Individual	As at December 31, 2024			As at December 31, 2023		
	Loans MCh$	Guarantee MCh$	Allowance MCh$	Loans MCh$	Guarantee MCh$	Allowance MCh$
Commercial loans	12,247,755	4,214,194	299,060	12,071,719	4,256,123	249,036
Consumer loans	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-
	12,247,755	**4,214,194**	**299,060**	**12,071,719**	**4,256,123**	**249,036**

Group (*)	As at December 31, 2024			As at December 31, 2023		
	Loans MCh$	Guarantee MCh$	Allowance MCh$	Loans MCh$	Guarantee MCh$	Allowance MCh$
Commercial loans	1,943,024	2,677,092	72,435	2,005,282	2,557,483	68,233
Consumer loans	2,766,726	-	143,214	2,655,839	-	154,109
Mortgage loans	14,128,682	25,314,272	46,716	13,857,128	24,169,277	44,808
	18,838,432	**27,991,364**	**262,365**	**18,518,249**	**26,726,760**	**267,150**

(*) Subsidiaries are not considered for the group portfolio.

Individual portfolio risk profile by probability of default

The table below shows a tabulated breakdown by probability of default (PD) of the Bank's individual portfolio of secured and unsecured debt.

Tranches for probability of default	As at December 31, 2024		As at December 31, 2023	
	Secured MCh$	Unsecured MCh$	Secured MCh$	Unsecured MCh$
0.0 - 0.1	123,880	5,549,348	130,273	5,151,317
0.11 - 0.4	462,043	1,490,809	410,405	1,572,669
1.01 - 3.0	1,114,936	1,483,167	1,388,673	1,963,170
3.01 - 6.0	736,479	1,411,741	729,422	846,328
6.01 - 11.0	780,456	584,059	747,089	470,693
11.01 - 17.0	181,759	52,397	229,227	131,800
17.01 - 25.0	137,974	80,558	169,083	58,797
25.01 - 50.0	323,906	82,544	244,907	69,847
50.01 +	377,343	132,432	231,969	118,620
Total	**4,238,776**	**10,867,055**	**4,281,048**	**10,383,241**

The information does not consider guarantees for substitution purposes.

Risk profile of the collective portfolio by probability of default

The table below shows a tabulated breakdown by probability of default (PD) of the Bank's different collective portfolio banking.

Tranches for probability of default	12/31/2024 MCh$	12/31/2023 MCh$
Commercial		
0.84 - 3.81	843,448	837,537
3.81 - 8	355,946	372,968
8 - 12.41	160,652	155,248
12.41 - 12.722	120,546	174,403
12.722 - 25.27	59,826	60,252
25.27 +	402,606	404,874
Total commercial	**1,943,024**	**2,005,282**
Mortgage		
0.14 - 0.37	8,699,420	8,630,213
0.37 - 1.79	2,560,132	2,648,246
1.79 - 4.5	1,245,755	1,151,327
4.5 - 16.8	17,778	13,861
16.8 - 23.04	1,079,874	1,010,002
23.04 +	525,723	403,479
Total mortgage	**14,128,682**	**13,857,128**
Consumer		
0.82 - 2.36	802,727	736,319
2.36 - 5.61	727,305	671,210
5.61 - 9.94	436,128	410,830
9.94 - 15.59	217,865	229,298
15.59 - 40.58	280,245	284,806
40.58 +	302,456	323,376
Total consumer	**2,766,726**	**2,655,839**
Total	**18,838,432**	**18,518,249**

Offset of financial assets and liabilities

For accounting purposes, Scotiabank does not offset derivatives.

Credit limits to related groups

For groups related to Scotiabank, the total of their obligations may not exceed 5% of the Bank's effective equity, this limit increases to 25% only if that exceeding 5% corresponds to obligations with collateral (article 84, number 2 of the General Banking Law).

All groups related to Scotiabank are within the regulatory limits, detailed as follows:

As at December 31, 2024

	Total obligations	% Effective equity	
	MCh$	Secured	Unsecured
BNS Group	498,844	8.4%	0.6%
Said Group	320,839	2.8%	3.0%
Generico por gestión Group	176,250	2.5%	0.7%
Karen Ergas Group	48,935	0.3%	0.5%
Business Support Group	45,236	0.0%	0.8%
Salvador Said Group	30,000	0.0%	0.5%
Víctor Carpio Group	22,443	0.3%	0.2%
Emilio Deik Group	11,425	0.1%	0.2%
Diego Masola Group	38	0.0%	0.0%
Other related groups	57,730	0.8%	0.3%
Total main debtors	**1,211,740**		
	Regulatory limits	**25.0%**	**5.0%**

As at December 31, 2023

	Total obligations	% Effective equity	
	MCh$	Secured	Unsecured
BNS Group	512,207	10.9%	0.1%
Said Group	213,782	3.6%	1.0%
Generico por gestión Group	163,909	2.8%	0.7%
Karen Ergas Group	44,759	0.3%	0.7%
Business Support Group	30,000	0.0%	0.7%
Salvador Said Group	27,389	0.0%	0.6%
Víctor Carpio Group	18,717	0.3%	0.1%
Emilio Deik Group	9,359	0.1%	0.1%
Other related groups	53,760	0.9%	0.3%
Total main debtors	**1,073,882**		
	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."

Total allowances on loans

The total level of allowances on loans reached MCh$762,164 as at December 31, 2024, which implies an increase of approximately 7.88% compared to the stock of allowances as at December 31, 2023, which reached MCh$706,523. Accordingly, and considering an increase in total loans (an increase of 1.90% in the same period), the percentage of allowances on total loans was up from 2.20% in December 2023 to 2.33% in December 2024.

Risk rates and allowances	12/31/2024 MCh$	12/31/2023 MCh$
Total allowances on loans	762,164	706,523
Total loans	32,717,372	32,106,330
Allowance / loan percentage	**2.33%**	**2.20%**

The increase in credit loss allowances in the period between January and December 2023 and December 2024 occurs mainly in retail and CAT Administradora de Tarjetas S.A.

4) Market risk

Refers to the risk of losses arising from adverse movements in market prices. It is associated with the volatility of the financial market and reflects the uncertainty faced by a financial institution in the face of possible adverse effects on the risk factors (market interest rates, exchange rates and prices) on the value of its assets, liabilities and equity. Market risks is classified as follows:

- **Interest rate risk**
  Risk of losses due to adverse movements in the intertemporal structure of the interest rate. This is caused by upward or downward movements of the yield curve.

- **Spread – Base risk**
  Spread risk is the risk of losses related to adverse changes in spreads existing in the yield of different financial assets and liabilities. These may reflect particular liquidity conditions of assets, credit and/or specific prepayment clauses whose exercise may result in a deterioration on the ability to generate future margin.

- **Exchange rate risk**
  Risk of losses due to adverse movements in exchange rates. This risk originates from financial mismatches between assets and liabilities, both effective and contingent.

- **Option volatility risk**
  Risk of financial losses associated with positions in explicit or implicit options, whether purchased or delivered, such as those contained in mortgage loans and education loans.

Balance sheet management

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

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

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

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

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

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

As at December 31, 2024 **(Individual bank)**

	Purchase value MCh$	Purchase TIR %	Market value MCh$	Market TIR %	Unrecognized gain (loss) MCh$
Papers Ch$	**1,629,211**	**3.76**	**1,559,408**	**5.71**	**(69,803)**
PDBC	-	-	-	-	-
BCP	-	-	-	-	-
BTP	1,629,211	3.76	1,559,408	5.71	(69,803)
Term deposits Ch$	-	-	-	-	-
Papers UF	**298,171**	**1.60**	**295,535**	**2.38**	**(2,636)**
BCU	-	-	-	-	-
BTU	298,171	1.60	295,535	2.38	(2,636)
Term deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US$	**34,453**	**3.85**	**45,293**	**6.30**	**10,840**
Term deposits US$	34,453	3.85	45,293	6.30	10,840
Total	**1,961,835**	**3.43**	**1,900,236**	**5.23**	**(61,599)**

As at December 31, 2023 **(Individual bank)**

	Purchase value MCh$	Purchase TIR %	Market value MCh$	Market TIR %	Unrecognized gain (loss) MCh$
Papers Ch$	**1,862,294**	**4.62**	**1,807,484**	**6.01**	**(54,810)**
PDBC	393,432	9.99	420,810	7.58	27,378
BCP	-	-	-	-	-
BTP	1,468,862	3.18	1,386,674	5.53	(82,188)
Term deposits Ch$	-	-	-	-	-
Papers UF	**365,202**	**1.68**	**356,238**	**2.55**	**(8,964)**
BCU	-	-	-	-	-
BTU	365,202	1.68	356,238	2.55	(8,964)
Term deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US$	**59,870**	**4.15**	**62,225**	**6.60**	**2,355**
Term deposits US$	59,870	4.15	62,225	6.60	2,355
Total	**2,287,366**	**4.14**	**2,225,947**	**5.47**	**(61,419)**

Trading activities/customers

The Bank has a Trading area responsible for the active trading of highly liquid instruments, whether these are Banco Central de Chile, bank and/or corporate paper, interest rate and/or currency derivatives (including UF). This area is responsible for finding profit opportunities in a short-term horizon, taking advantage of transitory no arbitrations in prices and differentials in the yield curve (base and spread), but is also responsible for providing financial solutions to our customers.

Value at risk

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

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

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

As at December 31, 2024, the total VaR (includes rate and currency) reached a value of MCh$4,194 (MCh$2,878 as at December 31, 2023).

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

	12/31/2024 MCh$	12/31/2023 MCh$
Bonds in UF	(14)	2
Derivatives UF	(280)	(532)
Bonds in Ch$	(1,645)	(29)
Derivatives in Ch$	(1,103)	252
Derivatives in US$	(1,132)	(1,217)
Basis US$/Ch$	26	(1,361)
Basis L3L6	-	-
Other	-	7
FX	(46)	-
Total	**(4,194)**	**(2,878)**

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

Interest rate flow sensitivity

Structural interest rate risk is measured using a metric that sensitizes the flows of asset and liability positions.

The metric considers financial assets, liabilities and derivatives not belonging to the trading portfolio. Items, or a portion thereof, that are previously designated as not sensitive to changes in interest rates are excluded, such as:

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

Interest rate mismatches are built as follows:

a) Cash flows are determined by the maturity of fixed rate transactions and by the revaluation period in variable rate transactions.

b) Assets, liabilities and derivatives used in balance management should be grouped according to their currency of accrual: Chilean pesos (Ch$), Unidad de Fomento (UF), U.S. dollars (US$) and other foreign currencies combined.

c) Flows consider only principal of transactions.

d) Interest rate curves do not consider the spread between assets and liabilities.

f) Adjustments:

To properly calculate the sensitivity of assets and liabilities to changes in interest rates, the flows of financial products having particular characteristics must be modified:

i) The balance in chequing accounts is distributed in terms of up to 8 years for the local report and up to 5 years for regulatory report. Both as obtained in the stability models of demand accounts with no maturity.
ii) The ability of customers to prepay loans modifies the risk profile of the balance sheet, as actual maturities differ from the contractual maturities.
iii) For education loans, the expected flow should be estimated according to the factors that determine the maturity profile of this portfolio. In addition, all disbursements and resales that will be accounted for in the current year, related to those students who are pursuing their studies and that the Bank has committed to deliver the necessary funds, must be entered.

Short-term sensitivity (Net interest income sensitivity)

Quantifies the impact of an adverse change in interest rates in the short term. This impact discloses the deviation that the budgeted financial margin may experience at a year-end.

The interest rate shock is weighted by the residual term of each time band, i.e., a 100 bp shock is applied to the overnight band until it is gradually reduced to 8.33 bp in the eleventh month.

The calculation is made for each currency, then the individual results are aggregated to obtain the overall risk exposure.

$$St = ABS\ (\Sigma\ Spm)$$

Where:
St: Short-term sensitivity to a change in interest rates.
Sp: Sensitivity of a change in interest rate (100 bps) weighted by the annual residual term.
m: The currencies of each book measured: Ch$, UF, US$, MX.

Long-term sensitivity (Economic value sensitivity)

Quantifies the impact of an adverse change in interest rates on the Bank's equity, or in other words, represents the variation that the value of the share would experience in the event of a movement in the yield curve.

This impact is obtained by comparing the market value of the balance sheet structure with the present value of the mismatches discounted at market rates modified by a sensitivity factor equivalent to +/- 100bp.

$$Stl = ABS\ (\min\ (\Sigma\ St{+}m\ ,\ \Sigma\ St{-}m))$$

Where:
Stl: Long-term sensitivity to a change in interest rates.
St: Sensitivity to an increase (+) and drop (-) in interest rates.
m: The currencies of each book measured: Ch$, UF, US$, MX.

Inflation position sensitivity

The sensitivity of the inflation position results from applying a 100 bp shock to the difference between assets and liabilities denominated in Unidad de Fomento (UF). The mismatch considers on and off-balance sheet transactions, except for those of the trading portfolio. Derivatives the maturity date of which falls within the known UF term are excluded from the measurement.

$$If = ABS\ (Pi) * 1\%$$

Where:
If: Inflation sensitivity
Pi: Inflation position

The Bank uses long-term sensitivity (EvE), short-term sensitivity (NII) and sensitivity to inflation risk to quantify the interest rate risk of the balance sheet book (banking book). These measures include all assets and liabilities, except for trading portfolios.

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

As at December 31, 2024

	VPN	VPN + 1%	VPN - 1%
Ch$	1,560,606	(44,549)	43,458
UF	2,584,489	(214,141)	150,996
US$	(190,743)	5,154	(5,487)
MX	44,826	(1,369)	1,445
Usage	**(254,905)**		

As at December 31, 2023

	VPN	VPN + 1%	VPN - 1%
Ch$	2,452,985	(57,996)	63,969
UF	2,473,099	(109,270)	33,166
US$	(1,076,081)	2,280	(2,546)
MX	48,623	(1,542)	1,639
Usage	**(166,528)**		

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

As at December 31, 2024

	Net present value				Financial margin			
	Ch$ MCh$	**UF MCh$**	**US$ MCh$**	**MX MCh$**	**Ch$ MCh$**	**UF MCh$**	**US$ MCh$**	**MX MCh$**
1 Month	(589,544)	4,051	902,914	8,880	5,650	(86)	(8,653)	(86)
2 Months	(92,090)	60,160	(1,157,519)	(26,333)	806	(568)	10,128	231
3 Months	355,265	178,483	(232,269)	1,482	(2,813)	(1,451)	1,839	(12)
4 Months	(27,303)	263,427	111,867	8,493	193	(1,898)	(792)	(60)
5 Months	78,729	13,891	434,881	2,937	(492)	(114)	(2,718)	(18)
6 Months	503,159	331,936	15,148	3,844	(2,725)	(1,822)	(82)	(22)
7 Months	16,301	(833)	43,985	2,703	(75)	(15)	(201)	(12)
8 Months	(21,822)	229,522	11,870	3,589	82	(877)	(45)	(13)
9 Months	43,605	231,699	13,293	45	(127)	(687)	(39)	-
10 Months	71,910	(174,518)	61,439	-	(150)	355	(128)	-
11 Months	353,966	110,910	(12,978)	429	(442)	(144)	16	-
12 Months	329,091	(47,816)	45,308	1,824	(137)	18	(19)	(1)
				Total	**(230)**	**(7,289)**	**(694)**	**7**

Exposure to inflation **13,486**
Usage **21,692**

As at December 31, 2023

	Net present value				Financial margin			
	Ch$ MCh$	**UF MCh$**	**US$ MCh$**	**MX MCh$**	**Ch$ MCh$**	**UF MCh$**	**US$ MCh$**	**MX MCh$**
1 Month	1,486,799	36,225	(950,985)	(4,618)	14,248	284	(9,114)	(44)
2 Months	(166,181)	36,219	(1,133,418)	531	(1,454)	260	(9,917)	5
3 Months	709,255	67,374	(357,769)	8,073	5,615	481	(2,832)	64
4 Months	294,064	137,901	469,184	(1,506)	2,083	932	3,323	(11)
5 Months	(2,283,570)	158,670	478,911	3,462	(14,272)	953	2,993	22
6 Months	317,749	116,006	582,750	2,236	1,721	594	3,157	12
7 Months	(632,489)	73,588	67,422	1,085	(2,899)	310	309	5
8 Months	(137,420)	(43,950)	(65,338)	2,444	(515)	(187)	(245)	9
9 Months	162,178	78,782	12,802	(52)	473	213	37	-
10 Months	(214,293)	196,271	38,472	-	(446)	397	80	-
11 Months	77,859	(7,994)	(4,442)	565	97	(17)	(6)	1
12 Months	508,167	(145,208)	(636)	869	212	(63)	-	-
				Total	**4,863**	**4,157**	**(12,215)**	**63**

Exposure to inflation **11,295**
Usage **14,427**

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

Accounting hedges

Transactions under the accounting hedging modality are governed by the technical and procedure specifications described in the Accounting Hedging Policy, managed by the Finance Division. This policy indicates the strategies for hedging with derivatives, specific risk being hedged, effectiveness testing, accounting for hedging relationships and general descriptions related to this product.

As a general concept, a derivative position, which is hedging a certain financial instrument, that arises in the ALM book continues to belong to that book in the event that the hedged item has, for instance, been sold. This translates into no effect on the related regulatory reports and follows the logical determination to separate products and instruments from the trading book and the banking book, as established in RAN Chapter 21-7.

The Market Risk Management Department supervises the deals entered under this modality in the peak system, reviewing concepts such as type of strategy, type of product entered, currency, term and counterparty, making an effective comparison between the system and the confirmation forms received from the back office area, in order to subsequently provide its final approval.

Additionally, for the management process, on a monthly basis it compares the amounts of results that were entered on a daily basis and the final results received from the Parent, making the related adjustments should differences exist.

Stress tests

The market risk management develops and reports to ALCO and local Board regularly stress exercises, which include parallel and non-parallel movements of the yield curve, volatility shocks and historical scenarios.

Detail of exposures

Currency risk

The Bank is exposed to the volatility in exchange rates in which its financial positions and cash flows are expressed or indexed. On an annual basis, the limits for the levels of net exposure by currencies and the total positions during the day and closing are reviewed at ALCO and Headquarters, which are monitored daily by the market risk management.

The Bank actively takes positions in US$, in addition to having operations in other currencies due to products required by customers.

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

	As at December 31, 2024			As at December 31, 2023		
	Assets MCh$	Liabilities MCh$	Net MCh$	Assets MCh$	Liabilities MCh$	Net MCh$
US$	67,535,732	67,483,625	52,107	50,287,492	49,930,076	357,416
CAD	21,072	25,045	(3,973)	21,555	21,177	378
BRL	40,539	38,309	2,230	11,707	9,672	2,035
PEN	5	-	5	5	-	5
AUD	215,574	217,539	(1,965)	222,188	223,981	(1,793)
CNY	113,953	113,245	708	121,094	120,547	547
DKK	-	-	-	-	-	-
JPY	592,083	590,058	2,025	424,887	418,349	6,538
CHF	429,837	429,963	(126)	584,780	588,740	(3,960)
NOK	5,052	5,053	(1)	2,488	2,471	17
NZD	172	104	68	65	-	65
GBP	176,890	176,909	(19)	270,404	270,293	111
SEK	12,873	12,902	(29)	19,937	19,987	(50)
HKD	7	9	(2)	631	629	2
ZAR	33	-	33	31	-	31
COP	47,726	48,318	(592)	33,356	32,070	1,286
MXN	157,216	162,214	(4,998)	163,794	163,604	190
EUR	1,283,311	1,270,671	12,640	1,262,428	1,256,986	5,442
Other currencies	-	1	(1)	807	807	-

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

	As at December 31, 2024 Mismatch due to term				As at December 31, 2023 Mismatch due to term			
Range of days	**Ch$**	**UF**	**US$**	**MX (*)**	**Ch$**	**UF**	**US$**	**MX (*)**
00002-00030	(1,501,048)	(167,556)	708,802	8,880	1,042,456	(67,755)	(953,358)	(4,618)
00031-00060	(208,550)	59,159	(1,180,885)	(26,334)	(210,839)	35,173	(1,144,343)	531
00061-00090	271,446	177,482	(238,128)	1,482	663,266	66,352	(364,790)	8,072
00091-00120	(94,970)	262,426	107,141	8,492	251,454	136,879	460,702	(1,507)
00121-00150	8,474	12,886	430,086	2,936	(2,327,494)	157,649	472,673	3,462
00151-00180	453,288	330,933	10,791	3,844	268,281	114,984	577,663	2,235
00181-00210	(40,429)	(1,843)	40,107	2,702	(676,700)	72,565	60,347	1,084
00211-00240	(80,664)	228,505	6,424	3,589	(181,018)	(44,976)	(72,792)	2,443
00241-00270	(26,239)	230,697	9,494	45	119,769	77,760	5,155	(52)
00271-00300	15,237	(175,520)	57,060	-	(255,614)	195,247	32,252	-
00301-00330	296,542	109,867	(19,482)	429	30,516	(9,025)	(9,642)	564
00331-00360	287,829	(48,837)	41,551	1,823	465,359	(146,230)	(5,894)	868
00361-00720	1,829,489	(807,612)	(14,818)	20,161	2,036,205	483,703	(15,661)	1,317
00721-01080	759,430	375,195	(44,667)	1,123	1,323,866	(119,450)	(15,085)	19,272
01081-01440	(263,011)	456,940	(42,432)	1,181	459,696	172,066	(29,359)	847
01441-01800	(410,864)	(130,279)	(48,868)	1,186	(469,723)	485,066	(31,146)	722
01801-02160	428,590	291,441	(39,314)	1,304	(394,622)	444,961	(35,025)	841
02161-02520	399,122	(758,407)	(45,443)	51,478	287,080	150,850	(38,087)	1,753
02521-02880	(386,207)	(372,722)	(43,311)	(12,908)	421,943	(759,472)	(42,071)	49,655
02881-03240	5,310	20,260	(3,758)	-	16,751	(281,728)	(1,832)	(12,804)
03241-03600	5,404	611,598	-	-	(90,767)	32,612	-	-
03601-05400	51,984	2,842,664	-	-	54,660	1,992,918	-	-
05401-07200	9	(224,335)	-	-	14	(258,624)	-	-
07201-09000	4	(172,784)	-	-	4	(141,667)	-	-
09001-10800	6	1,979	-	-	4	815	-	-
10800->>>>>	72	15	-	-	127	10	-	-
NRS	(1,052,950)	48,021	(620,783)	-	(1,191,147)	20,611	(957,848)	-

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

Regulatory limits

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

	Amount 12/31/2024 MCh$	Amount 12/31/2023 MCh$
Short-term (margin)		
Short-term interest rate risk	45,570	53,682
Indexation risk	49,124	38,943
Lower income due to commissions sens.	-	-
Total short-term risk	**94,694**	**92,625**
Short-term risk limit (35% of the margin)	393,618	427,377
Short-term usage limit percentage	24.06%	21.67%
Long-term (value)		
Long-term interest rate risk	539,320	400,461
Interest rate optionality risk	-	-
Total long-term risk	**539,320**	**400,461**
Long-term limit (*)	862,150	862,707
Long-term limit usage percentage	62.56%	46.42%

Balance book exposure (Bank)

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

The Banco Central de Chile establishes a regulatory limit for the sum of interest rate risks in trading positions (including derivatives) and currency risk. The Bank, at an individual level, must permanently observe these limits and report weekly to the CMF on its positions at risk and compliance with these limits. It must also report monthly to the CMF on the positions at risk consolidated with the subsidiaries and branches abroad. The regulatory limit establishes that the effective equity must be sufficient to cover the sum of 8% of the credit risk and market risk weighted assets.

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

	Amount 12/31/2024 MCh$	Amount 12/31/2023 MCh$
Interest rate risk	267,482	208,534
Currency risk	5,676	30,067
Shares risk	2,003	1,408
Currency optionality risk	4	4
Consolidated risk-weighted assets	32,021,770	30,758,320
Credit risk regulatory capital (8% CRWA)	2,047,286	2,001,538
Market risk regulatory capital (8% MRWA)	275,165	240,013
Operational risk regulatory capital (8% ORWA)	239,290	219,115
Total regulatory capital	**2,561,741**	**2,460,666**
Consolidated effective equity	5,541,100	4,629,910
Consumption % (including CR and MR)	46.23%	53.15%
Basel ratio (including market risk)	17.30%	15.05%

5) Risk data engineering and reporting

Risk data engineering and reporting includes the management of provisions and regulatory limits, quality assurance, risk reporting and model risk management.

Model risk management

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.

6) Enterprise risk management (operational risk, data risk, cybersecurity & IT risk, business continuity and risk management)

The Bank recognizes cybersecurity & IT, data, operational, continuity risks as the main risks for the Bank. Within Enterprise risk management are the cybersecurity & IT, data risk, 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

Information technology risk relates to the risk of financial loss, disruption or reputational damage due to a failure in IT systems.

Cybersecurity risk is the risk of loss of confidentiality, integrity, or availability of information, data, or information systems, and reflects potential adverse impacts on the organization's operations (i.e., mission, duties, image, or reputation) and assets, customers, and other stakeholders.

Cybersecurity risk is addressed within the cybersecurity strategy, which is the adoption of the National Institute of Standards and Technology (NIST). Within this strategy, the functions of identify, detect, protect, respond and recover have been implemented. These functions contain a series of controls that manage cybersecurity risk and indicators have been established to measure it, one of them is the Security Risk Index (SRI) – Protect, that measures the risk of exposure of all technology platforms. Activities and action plans are constantly developed when the level of risk is outside the threshold.

Operational risk

Operational risk is the risk of loss derived from people, from inadequate processes and systems or their failures or from external events. Operational risk includes risk management with third parties and legal risk but excludes strategic risk and reputational risk.

Operational Risk exists, in a certain way, in each of the business and support activities of the Bank and its subsidiaries, and could give rise to financial losses, regulatory sanctions or damage to the reputation of the institution.

Operational risk management is a continuous process that goes across the organization, carried out by people at all levels of the Bank and its subsidiaries.

The process is designed to identify, evaluate, monitor and report risks and events, current and potential, mitigate the effects, as well as to provide reasonable assurance to the Board of Directors and senior management, on the status of exposure and management of operational risk of the Bank and its subsidiaries.

The Bank and its subsidiaries adopted the three lines of defense model, consistent with the risk management framework, which establishes the related responsibilities for managing operational risk.

The Bank manages its operational risks with a governance structure made up of the Board of Directors in its highest-ranking role in approving strategies and risk management, the enterprise risk management department, the non-financial risk management committee, the risks and control areas (second lines). In addition, the Bank has policies, processes and evaluation methodologies to ensure that operational risk is properly identified and managed through effective controls.

As at December 31, 2024, the Bank and its subsidiaries have recognized MCh$13,585 for operational risk events (MCh$16,074 as at December 31, 2023).

Net loss expense, gross loss and expense recoveries from operational risk events	12/31/2024 MCh$	12/31/2023 MCh$
Internal fraud	(1,574)	(248)
External fraud	(13,569)	(15,550)
Labor practices and safety in the business	(155)	(126)
Customers, products and business practices	(45)	(1,760)
Damage to physical assets	(34)	(29)
Business interruption and system failures	(84)	(555)
Execution, delivery and process management	(1,949)	(2,139)
Gross loss in the period due to operational risk events	**(17,410)**	**(20,407)**
Internal fraud	15	1,030
External fraud	2,587	2,707
Labor practices and safety in the business	-	15
Customers, products and business practices	16	-
Damage to physical assets	-	7
Business interruption and system failures	9	-
Execution, delivery and process management	1,198	574
Gross loss recoveries in the period due to operational risk events	**3,825**	**4,333**
Net loss in the period due to operational risk events	**(13,585)**	**(16,074)**

Operational incident management

The management on operational incidents begins with the identification of an incident by one of the operational risk coordinators present in each division of the Bank, they will be responsible for consolidating, preparing and communicating the related background information. Each incident is subject to an impact analysis and the need to generate an action plan to mitigate the impact and/or frequency of the incident and prevent its future occurrence. Operational incidents are reported to the related instances as appropriate with their related status and action plans and according to RAN Chapter 20-8 to the CMF.

Data risk

Data risk is the exposure to adverse financial and non-financial consequences (e.g., loss of revenue, reputational risk, regulatory risk, suboptimal management decisions) caused by mismanagement, misinterpretation, or misuse of the Bank's data assets. This risk can arise from poor data quality; inadequate data management or data architecture; and/or unethical use of data.

The Data Risk Management Framework (DRMF) describes the general guiding principles of data risk management and defines the governance structure of the institutional data risk management program. The Data Risk Management Policy (DRMP) categorizes and explains data-related risks and describes the interaction model and the duties and responsibilities of the key stakeholders involved in data risk management within the organization.

Self-assessment program on risks and controls

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 (Chief information security officer) on Cloud Outsourcing, TPRM (Third party risk management) has adopted the definition of Cloud Computing published in the National Institute of Standards and Technology (NIST) "NIST Definition of Cloud Computing - special publication No. 800-145".

Cloud computing refers to the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or personal computer. Cloud computing is a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (for example, networks, servers, storage, applications, and services) that can be rapidly supplied and released with minimal management effort and interaction by the service provider.

Outsourcing of strategic and non-strategic services

A service is strategic for the Bank when it has the greater potential to impact or have a significant influence (either quantitative or qualitative) on the Bank's operations or reputation. Services that are not classified in the previous category correspond to non-strategic services.

Business continuity

The Bank is committed to take reasonably necessary steps to ensure business continuity during conditions that could disrupt the operations of the workplace or its environment. To achieve this, all business units must incorporate business continuity management practices to create resilient, alternative and/or redundant mechanisms to guarantee the continuity of operations based on the criticality rating established by the business unit itself.

7) 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.

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).

As at December 31, 2024	Local systemic GAP		Global systemic GAP		Idiosyncratic GAP		Combined GAP	
All currencies	30 days	90 days	30 days	90 days	30 days	90 days	30 days	90 days
Liquidity gap	(1,228,054)	(1,336,940)	(1,299,941)	(1,415,477)	(1,482,298)	(1,620,774)	(1,633,672)	(1,829,125)
Liquid asset hedge	2,846,860	2,846,860	2,846,860	2,846,860	2,851,058	2,851,058	2,851,058	2,851,058
Liquidity need / excess	**1,618,806**	**1,509,920**	**1,546,919**	**1,431,383**	**1,368,760**	**1,230,284**	**1,217,386**	**1,021,933**

As at December 31, 2023	Local systemic GAP		Global systemic GAP		Idiosyncratic GAP		Combined GAP	
All currencies	30 days	90 days	30 days	90 days	30 days	90 days	30 days	90 days
Liquidity gap	(725,055)	(754,312)	(766,623)	(730,845)	(861,262)	(873,909)	(997,061)	(1,071,198)
Liquid asset hedge	2,267,355	2,267,355	2,267,355	2,267,355	2,273,238	2,273,238	2,273,238	2,273,238
Liquidity need / excess	**1,542,300**	**1,513,043**	**1,500,732**	**1,536,510**	**1,411,976**	**1,399,329**	**1,276,177**	**1,202,040**

The established limit structure and its daily control ensure that liquidity management falls within the margins established by ALCO and approved by the Board of Directors. This is strengthened by the proper segregation of duties, accountability and control by opposition defined in the Bank's organizational structure and its subsidiaries, allowing liquidity management to be performed without conflict of interest.

Supplementing the liquidity management, liquidity stress tests are performed. Indeed, such tests estimate the impact that the different internal, systemic and global liquidity scenarios have on the financing of the Bank and its subsidiaries, through the analysis of liquidity gaps, coverage of liquid assets, amount of additional financing (liquidity excess), horizon of survival, state of internal and regulatory limits.

Scotiabank Chile controls its exposure to liquidity risks at the individual and consolidated level through a tight term mismatch approach, which is complemented by the measurement of liquid assets, concentration and liquidity ratios.

In addition, it has complementary tools that allow managing the concentration of assets and liabilities compared to sources, counterparties, terms and currencies.

Regarding the measurement of adjusted term mismatches, the Bank separates its exposures into two large groups of currencies.

- **Local currency**: includes operations designated in domestic currency, including revalued currencies under local indexation units.
- **Foreign currency**: refers to operations designated in some foreign currency or whose settlement is in foreign currency.

These measurements report mismatches up to a horizon of 90 days, including the flows from operations with financial derivatives. Additionally, the institution projects the movements of income and expense flows for the next 10 days.

As at December 31, 2024	Mismatches				Available Margin			
Consolidated Bank	7 days MCh$	15 days MCh$	30 days MCh$	90 days MCh$	7 days MCh$	15 days MCh$	30 days MCh$	90 days MCh$
Domestic currency								
Expenses	(4,038,244)	(5,216,241)	(6,651,704)	(10,573,240)				
Income	2,640,064	3,998,148	4,898,400	6,682,803				
Mismatch	**(1,398,180)**	**(1,218,093)**	**(1,753,304)**	**(3,890,437)**	**-**	**-**	**-**	**-**
Foreign currency								
Expenses	(794,205)	(1,176,724)	(1,426,670)	(2,284,140)				
Income	683,391	746,199	981,650	1,549,725				
Mismatch	**(110,814)**	**(430,525)**	**(445,020)**	**(734,415)**	**-**	**-**	**3,250,572**	**-**
Consolidated currencies								
Expenses	(4,832,449)	(6,392,964)	(8,078,373)	(12,857,379)				
Income	3,323,455	4,744,347	5,880,050	8,232,528				
Mismatch	**(1,508,994)**	**(1,648,617)**	**(2,198,323)**	**(4,624,851)**	**-**	**-**	**1,497,269**	**2,766,333**

Basic capital	**3,695,592**
2 Basic capital	**7,391,184**

File C46 limit "Liquidity position"

As at December 31, 2023	Mismatches				Available Margin			
Consolidated Bank	7 days MCh$	15 days MCh$	30 days MCh$	90 days MCh$	7 days MCh$	15 days MCh$	30 days MCh$	90 days MCh$
Domestic currency								
Expenses	(3,876,649)	(5,097,678)	(6,708,344)	(11,517,739)				
Income	3,103,108	4,455,729	5,546,123	8,743,427				
Mismatch	**(773,541)**	**(641,949)**	**(1,162,221)**	**(2,774,312)**	**-**	**-**	**-**	**-**
Foreign currency								
Expenses	(1,202,594)	(2,015,406)	(3,743,372)	(7,601,626)				
Income	998,700	1,541,814	2,613,081	5,659,911				
Mismatch	**(203,894)**	**(473,592)**	**(1,130,291)**	**(1,941,715)**	**-**	**-**	**2,358,476**	**-**
Consolidated currencies								
Expenses	(5,079,243)	(7,113,084)	(10,451,716)	(19,119,365)				
Income	4,101,808	5,997,543	8,159,204	14,403,338				
Mismatch	**(977,435)**	**(1,115,541)**	**(2,292,512)**	**(4,716,027)**	**-**	**-**	**1,196,255**	**2,261,507**

Basic capital	**3,488,767**
2 Basic capital	**6,977,534**

File C46 limit "Liquidity position"

Volume and composition of liquid assets

	12/31/2024 MCh$	12/31/2023 MCh$
Available funds	490,303	670,768
Sight deposits and Overnight in Banco Central de Chile	86,874	159,678
Financial investments	2,256,050	1,462,790
Total liquid assets	**2,833,227**	**2,293,236**

Composition of main sources of financing

	12/31/2024 MCh$	12/31/2023 MCh$
Deposits and other on-demand obligations	5,666,138	4,872,271
Deposits and term loans	13,237,921	13,269,408
Obligations with banks	2,527,222	5,388,854
Debt instruments issued	9,369,382	9,384,319
Other financial obligations	8,601,297	7,634,130
Total	**39,401,960**	**40,548,982**

Maturities of assets and liabilities reported as at December 31, 2024 and December 31, 2023 are detailed as follows:

As at December 31, 2024	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 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	845,145	-	-	-	-	-	-
Effective loans-cash loans	209,508	1,025,862	1,482,242	3,573,096	31,517,263	92,490	257,117
Loans in Adjustable Mortgage Letters of Credit	49	1,352	2,467	10,318	65,753	-	-
Leased contracts	-	33,522	63,589	261,300	587,628	86,800	69,725
Covenants	38,856	223,432	-	-	-	-	-
Financial investments	10,986	2,038,612	100,740	73,110	26,148	15,515	84,193
Other asset accounts	814,850	-	-	-	-	-	428,743
TOTAL ASSET	**1,919,394**	**3,322,780**	**1,649,038**	**3,917,824**	**32,196,792**	**194,805**	**839,778**
On-demand obligations	(1,999,685)	(400,030)	(662,424)	(1,735,308)	(867,654)	-	-
Term deposits, bonds and other	(135,980)	(3,560,300)	(3,350,337)	(6,189,083)	(4,169,739)	(2,487,891)	(5,272,087)
Covenants	-	(362,871)	-	-	-	-	-
Obligations due to Adjustable Mortgage Letters of Credit	-	(4,557)	(237)	(12,150)	(23,869)	(17,742)	(33,156)
Obligations in Chile	-	(100,042)	-	-	-	-	-
Obligations abroad	(156)	(26,663)	(109,348)	(1,421,663)	(453,177)	(624,250)	-
Other liability accounts	(662,840)	(101)	(118,344)	-	-	-	(506,666)
TOTAL LIABILITIES	**(2,798,661)**	**(4,454,564)**	**(4,240,690)**	**(9,358,204)**	**(5,514,439)**	**(3,129,883)**	**(5,811,909)**

As at December 31, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash	1,209,884	-	-	-	-	-	-
Effective loans-cash loans	277,989	885,825	1,498,631	3,937,559	30,284,155	80,603	277,949
Loans in Adjustable Mortgage Letters of Credit	52	1,569	2,846	12,071	79,258	-	-
Leased contracts	-	30,763	59,045	224,002	588,059	78,526	58,526
Covenants	22,692	170,824	15,265	-	-	-	-
Financial investments	(11,082)	1,499,094	3,059	2,124,577	18,586	21,474	89,957
Other asset accounts	552,525	-	-	-	-	-	377,008
TOTAL ASSET	**2,052,060**	**2,588,075**	**1,578,846**	**6,298,209**	**30,970,058**	**180,603**	**803,440**
On-demand obligations	(1,960,189)	(53,632)	(169,433)	(1,797,881)	(898,941)	-	-
Term deposits, bonds and other	(118,660)	(3,626,649)	(3,250,408)	(6,700,112)	(3,705,658)	(1,526,550)	(5,406,706)
Covenants	-	(160,297)	(3,497)	(3,030,026)	-	-	-
Obligations due to Adjustable Mortgage Letters of Credit	(1)	(4,714)	(271)	(13,831)	(28,827)	(19,099)	(40,002)
Obligations in Chile	-	-	-	-	-	-	-
Obligations abroad	(8,335)	(6,963)	(319,400)	(1,298,472)	(302,160)	(598,896)	-
Other liability accounts	(536,590)	-	(4,672)	(107,866)	-	-	(502,950)
TOTAL LIABILITIES	**(2,623,775)**	**(3,852,255)**	**(3,747,681)**	**(12,948,188)**	**(4,935,586)**	**(2,144,545)**	**(5,949,658)**

The following table provides the detail of changes in liabilities arising from financing activities, including those changes that represent cash flows and non-cash changes, for the period ended December 31, 2024:

Reconciliation of liabilities arising from financing activities:	Opening balance 12/31/2023	Cash Flow	*Changes other than cash* Acquisition/ (Disposals)	Foreign currency movement	Movements in UF	Change in fair value	Interests	Final balance 12/31/2024
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Current bonds	8,098,199	(732,207)	-	-	13,255	-	654,495	8,033,742
Subordinated bonds	1,201,214	(40,835)		-	52,660	-	44,534	1,257,573
Bonds with no fixed maturity	-	696,318		-	-	-	-	696,318
Dividends paid - Owners	122,388	(122,388)	129,884	-	-	-	-	129,884
Dividends paid - Non-controlling interest	-	(17,466)	-	-	-	-	-	(17,466)
Lease contract obligations	149,308	(14,960)	(540)	-	-	-	4,400	138,208
Total liabilities from financing activities	**9,571,109**	**(231,538)**	**129,344**	**-**	**65,915**	**-**	**703,429**	**10,238,259**

8) Counterparty risk

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

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

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

12/31/2024	Asset fair value MCh$	Credit risk adjustment MCh$
Total	(273,938)	10,574

12/31/2023	Asset fair value MCh$	Credit risk adjustment MCh$
Total	(40,988)	9,756

Note 48 Disclosure on regulatory capital and capital adequacy ratios

In accordance with the definitions in Chapter C-1 of the compendium of accounting standards, and paragraphs 134 to 136 of IAS1, the main processes that the Bank performs to manage capital and regulatory requirements are described.

Capital management

The Bank's capital management objective is to maintain adequate equity strength and ensure capital adequacy, complying with internal objectives and regulatory capital adequacy requirements, which allows the Bank to sustain its business strategy and face possible adverse scenarios that may materialize in the short and medium-term, meeting its solvency and credit rating objectives. Note that in accordance with adequate capital planning, the Bank has maintained solvency levels higher than those required by current regulations, maintaining sufficient headroom to face adverse scenarios and the regulatory implementation of Basel III.

The Capital management and profitability committee's objective is to provide strategic guidelines to maximize the Bank's profitability within the internal and regulatory risk appetite, in line with the objectives set by the Board of Directors and the policies defined for such purposes. The Bank has a Capital Management Unit, reporting to the Chief Financial Officer, responsible for the regular monitoring and control of capital adequacy. This unit is responsible for ensuring capital levels that allow the sustained and profitable growth of the business units, and the monitoring of early warnings defined in the risk appetite framework that both such committee and the Board of Directors have approved as part of the corporate governance structure for capital matters. Note that during 2024 none of the defined alerts have been activated and the capital is within the parameters defined in the capital planning.

All significant aspects of capital management are contained in the capital management policy, which includes an internal process of permanent evaluation of capital adequacy, definition of standards for performing stress tests and calculation of regulatory capital and internal capital, as well as the definition of the ICO (internal capital objective) higher than the minimum regulatory requirements, which are evaluated annually in the self-assessment report of effective equity (IAPE) that is performed in accordance with the regulatory requirements contained in RAN 21-13 on the evaluation of the adequacy of banks' effective equity.

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.21.130 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) became effective, as described in the following regulations; RAN 21-6 for Credit Risk Weighted Assets, RAN 21-7 for Market Risk Weighted Assets and RAN 21-8 for Operational Risk Weighted Assets.

In March 2024, the first annual Pillar 3 report was issued, which is published on the Bank's website, in accordance with the requirements of RAN 21-20, which refers to market discipline and financial transparency through disclosing significant and timely information, which allows keeping the different market players informed and allows information users to perform a better assessment of each entity's position, by being aware of the risk profile of the different local banking institutions, their position and capital structure in a unique format, thereby decreasing information mismatch.

Additionally, in April 2024, the IAPE was delivered, such report is intended to perform a self-assessment process (Pillar Two), which ensures that banks keep a capital level that is in accordance with their risk profile and foster development and the use of proper processes for monitoring and managing the risks they face.

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, 6% of basic capital plus AT1 bonds, and 3% on total consolidated assets, net of allowances required. In addition, and in accordance with the regulatory implementation schedule for such law, capital buffers such as the conservation buffer, the systemically important buffer, the countercyclical buffer and/or Pillar 2 capital charges must be complied with.

For these purposes, the Bank has applied the provisions of Chapter 21-1 "Equity for legal and regulatory purposes" of the Updated Compilation of Standards (RAN). Accordingly, effective equity is determined based on capital and reserves or basic capital with the following adjustments:

a) Adding bonds with no maturity and/or preference shares that meet the requirements and conditions contained in RAN 21-2, if any.
b) Adding subordinated bonds that meet the requirements established in RAN 21-3 with a limit of 50% of the Basic Capital.
c) Additional allowances are added with a limit of 1.25% of credit risk weighted assets.

Note that, with respect to the equity adjustments described in RAN 21-1, in December 2024, the percentage of recognition of adjustments was increased to 65%, in accordance with the standard's implementation schedule.

In March 2024, the CMF reported that Scotiabank maintains its rating as a systemically important bank, confirming the 1.25% systemic buffer already required from the Bank (as at December 2024 75% of such systemic buffer is required).

In addition, during May 2023, Banco Central de Chile informed that its Board decided to activate the countercyclical capital requirement (CCR) of 0.5% of RWA, which became enforceable in May 2024.

Lastly, following the review and overview assessment process performed by the CMF, Scotiabank has been informed of the resolution adopted by the Board for the additional effective equity requirements and on January 17, 2024, established Pillar 2 additional capital charges of 1% for the Bank. The CMF's decision establishes a Pillar 2 requirement at consolidated level of 1% of which at least 56.3% must be met with Common Equity Tier 1 ("CET1") and the remaining balance using other capital instruments (AT1 or Tier 2), such additional requirement must be met within 4 years (25% as at June 24), and will be evaluated on an annual basis through the oversight process.

Minimum capital requirements of the Bank as at December 31, 2024 under the Basel III guidelines

As at December 2024, in accordance with the transitional provisions applicable to the systemic charge, and the conservation buffer, 25% of the Pillar Two charge, and 0.5% of countercyclical buffer, the minimum required level of regulatory capital for the Bank is 12.19%.

Concept	CET 1	AT1	Level 1 Capital	T2	Regulatory capital
Pillar I	4.50%	1.50%	6.00%	2.00%	8.00%
Pillar II	0.14%	0.00%	0.14%	0.11%	0.25%
Systemic Charge	0.94%	0.00%	0.94%	0.00%	0.94%
Conservation buffer	2.50%	0.00%	2.50%	0.00%	2.50%
Countercyclic Buffer	0.50%	0.00%	0.50%	0.00%	0.50%
Total	8.58%	1.50%	10.08%	2.11%	12.19%

For comparative purposes, the Bank's minimum capital requirements as at December 31, 2023 under the Basel III guidelines were the following:

Concept	CET 1	AT1	Level 1 Capital	T2	Regulatory capital
Pillar I	4.50%	1.50%	6.00%	2.00%	8.00%
Pillar II	0.00%	0.00%	0.00%	0.00%	0.00%
Systemic Charge	0.63%	0.00%	0.63%	0.00%	0.63%
Conservation buffer	1.88%	0.00%	1.88%	0.00%	1.88%
Countercyclic Buffer	0.50%	0.00%	0.50%	0.00%	0.50%
Total	7.50%	1.50%	9.00%	2.00%	11.00%

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

Information on regulatory capital and capital adequacy indicators

Total assets, risk-weighted assets and effective equity components under Basel III	Note	Local consolidated 12/31/2024 MCh$	Local consolidated 12/31/2023 MCh$
Total assets as per statement of financial position		44,521,374	44,713,481
Investment in subsidiaries not subject to consolidation	a		-
Assets discounted from regulatory capital , other than item 2	b	(307,103)	(89,724)
Credit equivalent	c	(4,137,077)	(3,674,704)
Contingent loans	d	1,766,437	1,585,586
Assets generated by the intermediation of financial instruments	e		-
Total assets for regulatory purposes		**41,843,631**	**42,534,639**
Credit risk weighted assets, estimated under standard methodologies (CRWA)	f	25,591,077	25,019,225
Credit risk weighted assets, estimated under internal methodologies (CRWA)	f		-
Market risk weighted assets (MRWA)	g	3,439,564	3,000,163
Operational risk weighted assets (ORWA)	h	2,991,129	2,738,932
Risk weighted assets (RWA)		**32,021,770**	**30,758,320**
Risk weighted assets, after applying output floor (RWA)		**32,021,770**	**30,758,320**
Owners' equity		3,701,607	3,436,157
Non-controlling interest	i	145,734	138,821
Goodwill	j	-	-
Excess of minority investments	k	-	-
Common Equity Tier 1 equivalent (CET1)		**3,847,341**	**3,574,978**
Additional deductions from common equity tier 1, other than Tier 2	l	(232,908)	(124,151)
Common Equity Tier 1 (CET1)		**3,614,433**	**3,450,827**
Voluntary (additional) provisions allocated as Additional Tier 1 Capital (AT1)	m	-	-
Subordinated bonds allocated as Additional Tier 1 Capital (AT1)	m	-	-
Preference shares allocated to Additional Tier 1 Capital (AT1)		-	-
Bonds with no maturity allocated to Additional Tier 1 Capital (AT1)		696,318	-
Discounts on AT1	l	-	-
Additional Tier 1 Capital (AT1)		**696,318**	**-**
Tier 1 Capital		**4,310,751**	**3,450,827**
Voluntary (additional) provisions allocated as Additional Tier 2 Capital (AT2)	n	164,248	164,248
Subordinated bonds allocated as Tier 2 Capital (AT2)	n	1,066,101	1,014,835
Tier 2 Capital equivalent (T2)		**1,230,349**	**1,179,083**
Discounts on AT2	l	-	-
Tier Capital level 2(T2)		1,230,349	1,179,083
Effective equity		5,541,100	4,629,910
Additional basic capital required to constitute a conservation buffer	**p**	**800,544**	**392,401**
Additional basic capital required to constitute a countercyclical buffer	**q**	**160,109**	**-**
Additional basic capital required from systemically important banks	**r**	**300,204**	**98,100**
Additional capital required to assess the adequacy of effective equity (Pillar 2)	**s**	**80,054**	**-**

Notes:

a) Relates to the value of the investment in subsidiaries that are not consolidated. Applies only in local consolidation when the Bank has subsidiaries abroad, fully deducting its value in assets and CET1.
b) Relates to the value of the asset items that are discounted from regulatory capital, in accordance with that provided in letter a) of title No.3 of Chapter 21-30 of the RAN.
c) Relates to the credit equivalents of derivative instruments in accordance with letter b) of title No.3 of Chapter 21-30 of the RAN.
d) Relates to contingent exposures as provided in letter c) of title No. 3 of Chapter 21-30 of the RAN.
e) Relates to the assets of the intermediation of financial instruments on its own on behalf of third parties, which are within the Bank's consolidation perimeter, as provided in letter d) of title No.3 of Chapter 21-30 of the RAN.
f) Relates to credit risk weighted assets, estimated in accordance with Chapter 21-6 of the RAN. If the Bank does not have authorization to apply internal methodologies, it must report field 8.b with zero and add 8.a to field 11.a. If it has an authorization, it must add 8.b in 11.a.
g) Relates to market risk weighted assets, estimated in accordance with Chapter 21-7 of the RAN.
h) Relates to operational risk weighted assets, estimated in accordance with Chapter 21-8 of the RAN.
i) Relates to the non-controlling interest, depending on the level of consolidation, for up to 20% of owners' equity.
j) Assets related to goodwill.
k) Relates to the balances of the investment assets in the different business support companies that are not included in consolidation, above 5% of owners' equity.
l) For CET1 and T2, banks must estimate the equivalent value for each level of capital, as well as that obtained by fully applying Chapter 21-1 of the RAN. Then, the difference between the equivalent value and the full application value must be weighted by the discount factor in force at the reporting date in accordance with the transitional provisions of Chapter 21-1 of the RAN, and reported in this row. For AT1, discounts are applied directly, if any.
m) Provisions and subordinated bonds allocated to additional tier 1 capital (AT1), as established in Chapter 21-2 of the RAN.
n) Provisions and subordinated bonds allocated to the equivalent definition of tier 2 capital (T2), as established in Chapter 21-1 of the RAN.
o) In accordance with the transitional provisions, as at December 1, 2022, solvency requirements will also be made at the local consolidated level, reporting the figures at this level in this column. Banks with no subsidiaries abroad should not fill out these details.
p) Relates to the additional basic capital (CET1) for the constitution of the conservation buffer, as established in Chapter 21-12 of the RAN.
q) Relates to the additional basic capital (CET1) for the constitution of the countercyclical buffer, as established in Chapter 21-12 of the RAN.
r) Relates to the additional basic capital (CET1) for banks qualified as systemic banks, as established in Chapter 21-11 of the RAN.
s) Relates to the additional capital for the evaluation of the Bank's adequacy of effective equity (Pillar 2), as established in Chapter 21-13 of the RAN.

Item No.	Solvency ratios and regulatory compliance ratios under Basel III (as % including two decimals)	Note	Local consolidated 12/31/2024 %	Local consolidated 12/31/2023 %
1	**Leverage ratio (T1_I18/T1_I7)**		**8.64%**	**8.11%**
1.a	Leverage ratio to be complied with by the Bank, considering minimum requirements	a	3.00%	3.00%
2	**Basic capital ratio (T1_I18/T1_11.b)**		**11.29%**	**11.22%**
2.a	Basic capital ratio to be complied with by the Bank, considering minimum requirements	a	5.58%	6.63%
2.b	Deficit in capital buffers	b	0.00%	0.00%
3	**Tier 1 capital ratio (T1_I25/T1_I11.b)**		**13.46%**	**11.22%**
3a	Tier 1 capital ratio to be complied with by the Bank, considering minimum requirements	a	7.08%	6.63%
4	**Effective equity ratio (T1_I31/T1_I11.b)**		**17.30%**	**15.05%**
4.a	Effective equity ration to be complied with by the Bank, considering minimum requirements	a	9.19%	8.63%
4.b	Effective equity ratio to be complied with by the Bank, considering the charge per Article 35bis, if applicable	c	-	8.63%
4.c	Effective equity ratio to be complied with by the Bank, considering minimum requirements, conservation buffer and countercyclical buffer	b	12.19%	10.50%
5	**Solvency rating**	**d**	**A**	**A**
	Solvency regulatory compliance ratios			
6	**Voluntary (additional) provisions associated with CRWA allocated to Tier 2 Capital (T2) (T1_I26/(T1_I8.a ó 8.b))**	**e**	**0.64%**	**0.66%**
7	**Subordinated bonds allocated to Tier 2 Capital (T2) associated with Common Equity Tier 1 (CET1)**	**f**	**29.50%**	**29.41%**
8	**Additional Tier 1 Capital (AT1) associated with basic capital (T1_I24/T1_I18)**	**g**	**0.00%**	**0.00%**
9	**Voluntary (additional provisions) and subordinated bonds associated with RWA allocated to Additional Tier 1 Capital (AT1) ((T1_I19+T1_I20)/T1_I11.b)**	**h**	**2.17%**	**0.00%**

Notes:

a) For leverage, the minimum level is 3% without prejudice to the additional requirements for systemic banks that could be established in accordance with the provisions of Chapter 21-30 of the RAN. For core capital, the Bank must consider a cap of 4.5% of risk-weighted assets (RWA). In addition, and where applicable, the Bank must add the current systemic charge in accordance with the transitional provisions and the Pillar 2 requirement that was defined in this capital level. For new banks that have not paid in capital at UF 400,000, they must add 2% to their minimum requirement in accordance with article 51 of the General Banking Law. This value decreases to 1% if the paid-up capital is above UF 600,000 but less than UF 800,000. For Tier 1 capital, the Bank must consider as minimum requirement a value of 6% and the charge for Pillar 2 that has been defined in this capital level. Lastly, at effective equity level, the Bank must consider 8% of the RWA as minimum requirement. Additional charges for Pillar 2, systemic bank and those indicated in article 51 of the General Banking Law for new banks must be added to this value.

b) The capital buffer deficit must be estimated in accordance with the provisions of Chapter 21-12 of the RAN. This value defines the restriction on the distribution of dividends if it were positive, in accordance with the provisions of the aforementioned Chapter. For effective equity, the value of the conservation and counter-cyclical buffer in force in accordance with the transitional provisions at the date of the report must be added, the value defined in note a), even when there is a requirement per article 35 bis of the General Banking Law.

c) If the Bank has an effective equity requirement in force per article 35 bis of the General Banking Law, it must report its value in this cell in accordance with the transitional provisions.

d) Relates to the solvency rating established in article 61 of the General Banking Law.

e) Cap of 1.25%, if the bank uses standard methodologies (field T1_8a), or 0.625% if the bank uses internal methodologies (field T1_8b), in estimating the CRWA.

f) Subordinated bonds allocated to Tier 2 capital must not exceed 50% of common equity tier 1 (CET1), considering the discounts applied to these instruments in accordance with Chapter 21-1 of the RAN.

g) Additional Tier 1 (AT1) capital cannot exceed 1/3 of Tier 1 common equity tier (CET1).

h) Additional provisions and subordinated bonds allocated to AT1 cannot exceed 0.5% of the RWA beginning on December 1, 2022, in accordance with the transitional provisions of Chapter 21-2 of the RAN.

i) In accordance with the transitional provisions, beginning on December 1, 2022, solvency requirements are also made at the local consolidated level, reporting the figures at this level in this column. Banks with no subsidiaries abroad should not fill out these details.

Scotiabank.

Note 49 Subsequent events

The Consolidated Financial Statements were approved by the Board of Directors of Scotiabank Chile at the Meeting held on January 30, 2025.

On January 17, 2025, the CMF has published the progress of the implementation of Basel III standards, applying the additional capital requirements regulations in accordance with Pillar 2. Following the oversight review and evaluation process performed by the CMF, Scotiabank has been informed of the resolution adopted by the Board regarding the additional minimum effective equity requirements.

The CMF's decision establishes that the Pillar 2 requirement at the consolidated level of 1%, required at 25% beginning in June 2024, decreases to 0.25%. Accordingly, the charge already constituted for this concept in Scotiabank, of 0.25% of risk-weighted assets net of provisions required associated with market risk in the banking book, of which at least 56.3% must be satisfied with Common Equity Tier 1 (CET1) capital and the remaining balance using other capital instruments (AT1 or Tier 2), will be maintained. This additional requirement will be evaluated annually through the oversight process.

Note that this decision is based on the evolution of the ΔEVE regulatory measurement, which considers a decrease in the risk level and the strengthening of the capital base in 2024, and also, the prudential view of stability in the application of requirements, considering the upcoming regulatory changes to be released.

The following table shows the minimum CET1 and total capital requirements at the consolidated level effective beginning in December 2024 and December 2025, and Scotiabank's ratios as of December 31, 2024:

	Minimum requirements		Ratio as of
	December, 2024	December, 2025	12/31/2024
CET 1 (CET1/APR)	8.58%	8.89%	11.29%
Total Capital (PE/APR)	12.19%	12.50%	17.30%

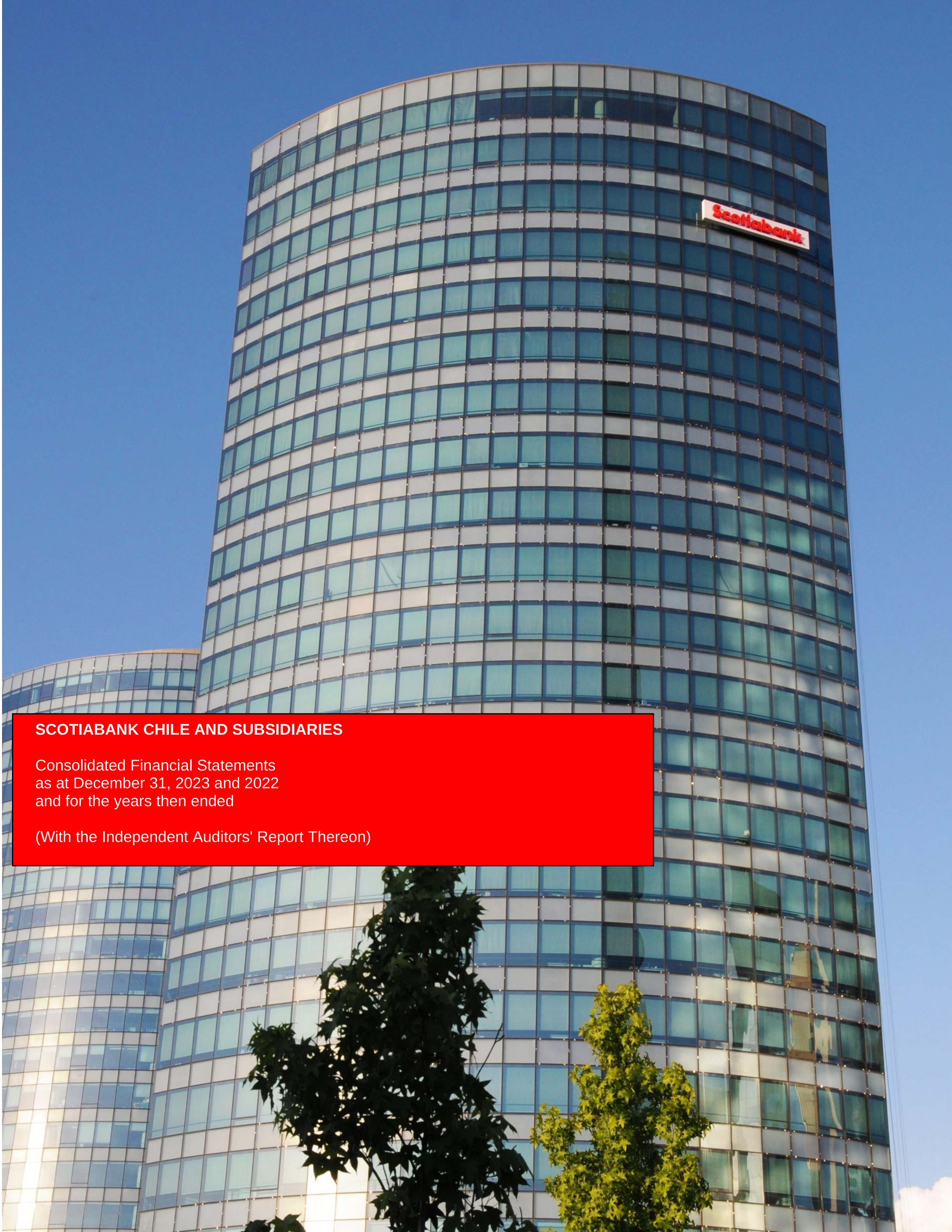
As described in the table, Scotiabank maintains sufficient buffers over the required thresholds, both in CET1 and for total capital.

In the view of the Bank's Management and its subsidiaries, between January 1, 2025 and the date of issuance of these Consolidated Financial Statements, no other subsequent events have occurred that could have a significant effect on the figures presented herein or on the economic and financial position of the Bank and its subsidiaries.

OMAR ABUSADA G.
Chief Accountant

LUIS ALVAREZ P.
Finance Division Manager

DIEGO MASOLA
Chief Executive Officer



SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Financial Statements
as at December 31, 2023 and 2022
and for the years then ended

(With the Independent Auditors' Report Thereon)

SCOTIABANK CHILE AND SUBSIDIARIES

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

Independent Auditor's Report

The Shareholders and Directors of
Scotiabank Chile:

Opinion

We have audited the accompanying consolidated financial statements of Scotiabank Chile and its Subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the related consolidated statements of income, other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Scotiabank Chile and its Subsidiaries as at December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting standards and instructions issued by the Chilean Financial Market Commission (CMF).

Basis for the opinion

We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Our responsibilities under those standards are further described in paragraphs under section "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" of our report. We are independent of Scotiabank Chile and its Subsidiaries in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements, and we have fulfilled our ethical responsibilities in accordance with these and other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the standards and instructions provided by the Chilean Financial Market Commission. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing whether events or conditions exist, which, considered as a whole, may cast significant doubt as to Scotiabank Chile and its Subsidiaries' ability to continue as a going concern for, at least, twelve months from the reporting period, without limiting to such period.

Santiago
Av. Presidente Riesco 5685,
piso 15, Las Condes

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations or Management's override of controls. A misstatement is considered material if, individually or in the aggregate, it could influence the judgment of a reasonable user of these consolidated financial statements.

As part of an audit conducted in accordance with Generally Accepted Auditing Standards in Chile, we also:

- Exercise professional judgement and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Those procedures include an examination, on a test basis, of evidence supporting the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Scotiabank Chile and its Subsidiaries. Accordingly, we express no such opinion.
- We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
- We conclude whether, in our judgment, events or conditions exist that may cast significant doubt on Scotiabank Chile and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance, among other matters, the planned timing and scope of the audit, and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during our audit.

Jorge Maldonado G. KPMG Ltda.

Santiago, January 25, 2024

SCOTIABANK CHILE AND SUBSIDIARIES

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Financial Position
As at December 31, 2023 and 2022

	Notes	12/31/2023 MCh$	12/31/2022 MCh$
ASSETS			
Cash and deposits in banks	7	1,209,884	1,268,178
Transactions pending settlement	7	389,141	565,421
Financial assets held for trading at fair value through profit or loss			
Derivative instruments	8	5,694,324	6,813,293
Financial debt securities	8	193,820	419,339
Other	8	56,197	95,439
Financial assets not held for trading mandatorily measured at fair value through profit or loss	9	-	-
Financial assets designated at fair value through profit or loss	10	-	-
Financial assets at fair value through other comprehensive income			
Financial debt securities	11	2,188,905	2,360,643
Other	11	-	-
Derivative instruments for accounting hedge	12	317,308	395,111
Financial assets at amortized cost			
Rights under resale agreements and securities lending agreements	13	226,394	216,976
Financial debt securities	13	1,387,601	-
Loans and advances to banks	13	25,223	66,830
Loans and accounts receivable from customers - Commercial Loans	13	13,738,775	15,421,175
Loans and accounts receivable from customers - Mortgage Loans	13	13,846,343	13,544,491
Loans and accounts receivable from customers - Consumer Loans	13	3,814,689	3,606,586
Investments in companies	14	34,220	26,093
Intangible Assets	15	255,425	240,400
Property and equipment	16	84,327	90,636
Right-of-use assets under lease contracts	17	159,569	174,082
Current taxes	18	2,413	53,478
Deferred tax assets	18	360,658	330,907
Other assets	19	708,531	756,372
Non-current assets and disposal groups held for sale	20	19,734	15,175
TOTAL ASSETS		**44,713,481**	**46,460,625**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Financial Position
As at December 31, 2023 and 2022

	Notes	12/31/2023 MCh$	12/31/2022 MCh$
LIABILITIES			
Transactions pending settlement	7	333,372	510,643
Financial liabilities held for trading at fair value through profit or loss			
Derivative instruments	21	4,606,750	6,213,012
Other	21	-	-
Financial liabilities designated at fair value through profit or loss	10	-	-
Derivative instruments for accounting hedge	12	1,455,656	1,536,880
Financial liabilities at amortized cost			
Deposits and other on-demand liabilities	22	4,850,696	5,076,459
Term and other on-demand deposits	22	13,181,368	13,972,388
Liabilities under repurchase agreements and securities lending	22	163,647	205,943
Bank borrowings	22	5,368,647	5,342,212
Debt financial instruments issued	22	8,186,492	7,707,165
Other financial liabilities	22	156,392	120,225
Lease liabilities	17	149,308	160,376
Regulatory capital financial instruments issued	23	1,201,214	987,943
Provisions for contingencies	24	55,274	49,891
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	25	122,388	146,260
Special allowances for credit losses	26	193,134	191,256
Current taxes	18	63,222	1,724
Deferred tax liabilities	18	795	573
Other liabilities	27	1,050,148	1,050,357
Liabilities included in disposal groups held for sale	20	-	-
TOTAL LIABILITIES		**41,138,503**	**43,273,307**
EQUITY			
Capital	28	1,368,421	1,368,421
Reserves	28	381,405	381,405
Accumulated other comprehensive income			
Items that will not be reclassified to profit or loss	28	5,044	2,588
Items that can be reclassified to profit or loss	28	(41,189)	(142,226)
Retained earnings from previous years	28	1,436,903	1,095,630
Profit for the year	28	407,961	487,533
Less: Provisions for dividends, payment of interest and repricing of issued regulatory capital financial instruments	28	(122,388)	(146,260)
Attributable to the owners of the Bank:	28	3,436,157	3,047,091
Non-controlling interest	28	138,821	140,227
TOTAL EQUITY		**3,574,978**	**3,187,318**
TOTAL LIABILITIES AND EQUITY		**44,713,481**	**46,460,625**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Income for the year
for the years ended December 31, 2023 and 2022

	Notes	12/31/2023 MCh$	12/31/2022 MCh$
Interest income		2,488,415	1,757,297
Interest expense		(1,637,454)	(1,111,306)
Net interest income	30	**850,961**	**645,991**
Indexation income		787,378	1,337,421
Indexation expense		(417,263)	(846,233)
Net indexation income	31	**370,115**	**491,188**
Fee and commission income	32	295,236	289,578
Fee and commission expense	32	(97,570)	(88,643)
Net fee and commission income	32	**197,666**	**200,935**
Net financial result for :			
Financial assets and liabilities held for trading	33	185,942	115,228
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	8,289	5,898
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	33	(89,832)	(60,778)
Reclassifications of financial assets due to change in business model	33	-	-
Other financial result	33	(2,918)	3,216
Net financial result	33	**101,481**	**63,564**
Equity in net income of investees	34	6,362	6,513
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operation	35	845	4,246
Other operating income	36	50,795	24,592
TOTAL OPERATING INCOME		**1,578,225**	**1,437,029**
Expenses for employee benefit obligations	37	(307,418)	(274,477)
Administrative expenses	38	(241,090)	(230,526)
Depreciation and amortization	39	(66,914)	(60,583)
Impairment of non-financial assets	40	(264)	(584)
Other operating expenses	36	(49,436)	(34,682)
TOTAL OPERATING EXPENSES		**(665,122)**	**(600,852)**
OPERATING INCOME BEFORE CREDIT LOSSES		**913,103**	**836,177**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Income for the year
for the years ended December 31, 2023 and 2022

	Notes	12/31/2023 MCh$	12/31/2022 MCh$
Credit loss expenses for:			
Allowances for credit losses on loans and advances to banks and loans and accounts receivable from customers	41	(493,988)	(382,709)
Special allowances for credit losses	41	(1,467)	13,120
Recovery of written-off loans	41	76,228	69,980
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value	41	(2,699)	(51)
Credit loss expense	41	(421,926)	(299,660)
OPERATING INCOME		**491,177**	**536,517**
Profit or loss from continuing operations before taxes		**491,177**	**536,517**
Income tax expense	18	(74,612)	(21,461)
Profit or loss from continuing operations after taxes		**416,565**	**515,056**
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 YEAR		**416,565**	**515,056**
Attributable to:			
Owners of the Bank	28	407,961	487,533
Non-controlling interest		8,604	27,523
Earnings per share attributable to equity owners:			
Basic and diluted earnings	28	$ 33.32	$39.82

Scotiabank.

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Other Comprehensive Income
for the years ended December 31, 2023 and 2022

	12/31/2023 MCh$	12/31/2022 MCh$
CONSOLIDATED PROFIT FOR THE YEAR	**416,565**	**515,056**
Other comprehensive income for the period from :		
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
Remeasurements of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	(64)	(33)
Changes in the fair value of equity instruments designated at fair value through other comprehensive income	2,503	35
Changes in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in the credit risk of the financial liability	-	-
Other	-	-
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX	**2,439**	**2**
Income tax on other comprehensive income that will not be reclassified to profit or loss	17	9
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX	**2,456**	**11**
ITEMS THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS		
Changes in the fair value of financial assets at fair value through other comprehensive income	44,127	24,068
Translation differences for foreign entities	-	-
Accounting hedges of net investments in foreign entities	-	-
Cash flow hedge accounting	94,661	67,120
Undesignated items of hedging accounting instruments	-	-
Other	256	(120)
OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	139,044	91,068
Income tax on other comprehensive income that can be reclassified to profit or loss	(38,011)	(24,113)
TOTAL OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	**101,033**	**66,955**
OTHER TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**103,489**	**66,966**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	**520,054**	**582,022**
Attributable to:		
Owners of the Bank	511,454	554,494
Non-controlling interest	8,600	27,528

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Cash Flows
for the years ended December 31, 2023 and 2022

	Notes	12/31/2023 MCh$	12/31/2022 MCh$
A) CASH FLOWS FROM OPERATING ACTIVITIES			
CONSOLIDATED INCOME BEFORE TAXES FOR THE PERIOD		491,177	536,517
Debit (credit) to profit or loss not representing movements in cash flows:			
Income tax expense	18	(116,139)	39,260
Changes in deferred tax assets and liabilities	18	41,527	(60,721)
Depreciation and amortization	39	66,914	60,583
Impairment of assets	40-41	2,963	635
Allowances for credit losses	41	495,455	369,589
Net income from assets received in lieu of payment or awarded in legal auction	35	(697)	(345)
Net gain (loss) from non-current assets held for sale	35	(798)	(4,438)
Net gain (loss) from disposal groups held for sale	35	-	-
Net interest income	30	(850,961)	(645,991)
Net indexation income	31	(370,115)	(491,188)
Net fee and commission income	32	(197,666)	(200,935)
Equity share of profit (loss) from investments in related companies	34	(6,362)	(6,513)
Effect of fair value adjustment on derivative instruments		(4,562)	543,527
Other operating income	36	-	-
Other debits (credits) to profit or loss not representing movements in cash flows		(85,756)	206,103
Changes due to increase / decrease of assets and liabilities affecting the operating flow:			
(Increase) decrease in financial debt securities		(1,271,535)	165,035
(Increase) decrease in loans and advances to banks		42,081	(63,431)
(Increase) decrease under resale agreements and securities lending agreements		1,991	68,424
(Increase) decrease in loans and advances to customers		1,390,297	(2,476,103)
Increase (decrease) in other assets		50,366	144,990
Increase (decrease) in non-current assets and disposal groups held for sale		(4,560)	(998)
Net change in financial derivative contracts / financial derivative contracts for hedge		(486,152)	(222,361)
Net variation on deposits and other on-demand liabilities		16,556	(815,750)
Net variation on det financial instruments issued		448,866	561,873
Net variation on regulatory capital financial instruments issued		157,440	69,578
Net change in other financial obligations		31,769	40,610
(Decrease) increase in deposits and other on-demand liabilities		(221,840)	(2,118,757)
(Decrease) increase in liabilities under repurchase agreements and securities lending		(45,493)	(171,302)
(Decrease) increase in term and other on-demand deposits		(767,218)	4,791,107
(Decrease) increase in other liabilities		506	429,896
Interest received		2,295,245	1,627,901
Interest paid		(1,397,200)	(1,113,378)
Indexation received		369,674	(277,163)
Indexation paid		(367,530)	(149,749)
Fees and commissions received	32	295,236	289,578
Fees and commissions paid	32	(97,570)	(88,643)
Taxes and fines paid	38	(132)	(217)
Collection of remaining balance of taxes from previous years		50,880	-
Total net cash flows generated from (used in) operating activities		**(43,343)**	**1,037,223**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Cash Flows
for the years ended December 31, 2023 and 2022

	Notes	12/31/2023 MCh$	12/31/2022 MCh$
B) CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of investments in companies	14	-	-
Disposals of investments in companies	14	-	3
Dividends received from investments in companies	34	756	427
Acquisitions of Property and equipment	16	(8,328)	(10,750)
Disposals of Property and equipment		1,716	6,629
Acquisitions of intangible assets	15	(59,733)	(51,145)
Disposals of intangible assets		-	-
Disposal of assets received in lieu of payment or awarded		12,661	11,980
Net change in investment securities		(227,776)	(242,727)
Total net cash flows generated from (used in) investing activities		**(280,704)**	**(285,583)**
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		1,130,564	1,123,737
Redemption and payment of interest / principal on current bonds		(1,370,361)	(1,576,367)
Issuance of mortgage bonds		-	-
Redemption and payment of interest / principal on mortgage bonds		-	-
Payment of interest/principal on lease contracts	17	(15,422)	(14,666)
Subordinated bonds issuance		138,504	148,854
Payment of interest and principal on subordinated bonds	23	(116,434)	(57,287)
Issuance of bonds with no fixed maturity date		-	-
Redemption and payment of interest of bonds with no fixed maturity date		-	-
Issuance of preference shares		-	-
Redemption of preference shares and payment of preference shares dividends		-	-
Increase in paid-in capital by issuance of ordinary shares		-	-
Payment of ordinary shares dividends	28	(146,260)	(169,754)
Attributable to non-controlling interest			
Payment of dividends an/or withdrawals of paid-in capital made with respect to subsidiaries related to non-controlling interest		(10,006)	(16,759)
Total net cash flows generated from (used in) financing activities		**(389,415)**	**(562,242)**
D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		(713,462)	189,398
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		11,752	(5,457)
INITIAL BALANCE OF CASH AND CASH EQUIVALENTS		2,241,570	2,057,629
FINAL BALANCE OF CASH AND CASH EQUIVALENTS		**1,539,860**	**2,241,570**

The Consolidated Statements of Cash Flows as at December 31, 2023 and 2022 were prepared under the indirect method, determining the variation between the balances as at such dates.

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
for the years ended December 31, 2023 and 2022

	Equity attributable to owners						
	Capital	Reserves	Accumulated other comprehensive income	Retained earnings from previous years and profit for the year	Total	Non-controlling interest	Total Equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Opening balances as at January 1, 2023	**1,368,421**	**381,405**	**(139,638)**	**1,436,903**	**3,047,091**	**140,227**	**3,187,318**
Payment of ordinary shares dividends	-	-	-	(146,260)	(146,260)	(10,006)	(156,266)
Provision for payment of ordinary shares dividends	-	-	-	23,872	23,872	-	23,872
Subtotal: Transactions with the owners for the period	1,368,421	381,405	(139,638)	1,314,515	2,924,703	130,221	3,054,924
Profit for the year				407,961	407,961	8,604	416,565
Other comprehensive income (loss) for the period	-	-	103,493	-	103,493	(4)	103,489
Subtotal: Comprehensive income (loss) for the period	-	-	103,493	407,961	511,454	8,600	520,054
Closing balances as at December 31, 2023	**1,368,421**	**381,405**	**(36,145)**	**1,722,476**	**3,436,157**	**138,821**	**3,574,978**
Opening balances as at January 1, 2022	**1,368,421**	**373,966**	**(206,599)**	**1,137,959**	**2,673,747**	**127,420**	**2,801,167**
Effects of CNC application for banks accumulated 2022	-	7,439	-	157	7,596	2,038	9,634
Payment of ordinary shares dividends	-	-	-	(169,754)	(169,754)	(16,759)	(186,513)
Provision for payment of ordinary shares dividends	-	-	-	(18,992)	(18,992)	-	(18,992)
Subtotal: Transactions with the owners in the period	1,368,421	381,405	(206,599)	949,370	2,492,597	112,699	2,605,296
Profit for the year	-	-	-	487,533	487,533	27,523	515,056
Other comprehensive income (loss) for the period	-	-	66,961	-	66,961	5	66,966
Subtotal: Comprehensive income (loss) for the period	-	-	66,961	487,533	554,494	27,528	582,022
Closing balances as at December 31, 2022	**1,368,421**	**381,405**	**(139,638)**	**1,436,903**	**3,047,091**	**140,227**	**3,187,318**

Note 1 General information

Scotiabank Chile (hereinafter the "Bank") is the Parent of a group of entities, constituted in Chile as a closely-held corporation. It original incorporation was authorized via Supreme Decree issued by the Ministry of Finance No. 1389 dated March 29, 1944. The Bank is primarily involved in the brokerage of money and financial instrument such as personal property, commercial paper or any other credit instrument.

The current ownership structure is composed of Nova Scotia Inversiones Limitada (99.80%) and non-controlling interests (0.20%). Nova Scotia Inversiones Limitada is the Bank’s exclusive controlling shareholder.

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

Note 2 Significant accounting policies

(a) Basis of preparation

The Consolidated Financial Statements, which comprise the Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Cash Flows and Consolidated Statements of Changes in Equity of Scotiabank Chile and its subsidiaries, have been prepared in accordance with accounting criteria issued by the *Comision para el Mercado Financiero* (hereinafter, the “CMF”), and in relation to all issues not addressed in them and as long as they do not contradict its instructions, must apply the generally accepted accounting principles, which relate to the technical standards issued by the Colegio de Contadores de Chile A.G., which agree with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

(b) Basis of consolidation

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

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

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

- Consolidated Statements of Financial Position as at December 31, 2022 and 2023.
- Consolidated Statements of Income for the year, Consolidated Statements of Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the twelve-month period between January 1 and December 31, 2023 and for the twelve-month period of between January 1 and December 31, 2022.

i) Subsidiaries

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

Thus, an investor controls an investee if and only if the investor has all the following:

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

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

Company	Direct December 2023 %	Indirect December 2023 %	Direct December 2022 %	Indirect December 2022 %
Scotia Administradora General de Fondos Chile S.A.	99.33	0.67	99.33	0.67
Scotia Corredora de Seguros Chile Limitada	99.90	0.10	99.90	0.10
Centro de Recuperación y Cobranza Limitada	99.90	0.10	99.90	0.10
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	99.91	-	99.91	-
CAT Administradora de Tarjetas S.A.	51.00	-	51.00	-
CAT Corredores de Seguros y Servicios S.A.	51.00	-	51.00	-
Servicios Integrales S.A.	51.00	-	51.00	-
Administradora y Procesos S.A.	51.00	-	51.00	-
Scotia Corredora de Bolsa Chile Limitada	99.19	0.80	99.19	0.80
Scotia Asesorías Financieras Limitada	98.74	-	98.74	-
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	97.49	-	97.49	-
Scotia Operadora de Tarjetas S.A. (*)	99.90	0.10	-	-

(*) On August 1, 2023, Scotia Operadora de Tarjetas S.A. was incorporated. This company will be exclusively engaged in the operation of credit cards, debit cards and payment cards with provision of funds, in accordance with the provisions in the standards issued by the Banco Central de Chile and the CMF.

On September 4, 2023, through Exempt Resolution No. 6443, issued by the Board of the CMF, Scotiabank was authorized to incorporate Scotia Operadora de Tarjetas de Pago S.A. as a banking support company in accordance with Article 74 a) of the General Banking Law.

ii) Non-controlling interests

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

iii) Loss of control

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

(c) Basis of measurement

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

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

(d) Functional and presentation currency

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

(e) Foreign currency transactions

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

Assets and liabilities in foreign currency US dollar are recognized at their equivalent amount in Chilean pesos, calculated at the accounting representation exchange rate of Ch$873.93 per US$1 as at December 31, 2023 (Ch$850.20 as at December 31, 2022).

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

The loss of MCh$89,832 as at December 31, 2023, related to "Foreign currency translation differences, indexation and accounting hedge of foreign currencies" (loss of MCh$60,778 as at December 31, 2022), shown in the Consolidated Statements of Income, includes the recognition of the effects of exchange rate fluctuations on assets and liabilities denominated in foreign currency or adjusted for foreign exchange rates, and the net gain or loss from derivatives in accounting hedges for foreign currency risk of the Bank and its subsidiaries.

(f) Business segments

The Bank provides segment financial information to identify and disclose in the notes to the Consolidated Financial Statements the nature and financial effects arising from its business activities and the economic environments in which it operates, in accordance with IFRS8 "Operating Segments." Such standard requires that the Bank provides information on the different types of business activities in which it is involved and assists the users of Financial Statements to obtain:

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

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

(g) Transactions with related parties

Disclosures on significant related parties are detailed in Note 43, in accordance with IAS24 "Related Party Disclosures" indicating the relationship with each related party involved, as well as the transaction description and related balances. All of this is performed for an adequate understanding of the potential effects of such relation on the Consolidated Financial Statements.

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

(h) Consolidated Statements of Changes in Equity

The Statements of Changes in Equity included in these Consolidated Financial Statements include movements in Equity occurred between January 1 and December 31, 2023 and 2022.

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

(i) Consolidated Statements of Other Comprehensive Income

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

Accordingly, this statement includes:

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

(j) Financial assets and financial liabilities

1. Recognition

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

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

2. Classification

Accounting policies associated with each classification are addressed in letters:

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

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

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

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

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

3. Derecognition

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

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

4. Offsetting

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

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

5. Measurement at amortized cost

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

6. Fair value measurement

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

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

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

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

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

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

7. Identification and measurement of impairment

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

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

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

For financial assets at fair value through other comprehensive income, debt financial instruments at amortized cost and Rights under resale agreements and securities lending agreements, impairment determined by a model of expected credit losses according to IFRS9: This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

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

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

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

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

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

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

(k) Cash and deposits in banks

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

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

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

i) Cash flow

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

ii) Operating activities

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

iii) Investing activities

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

iv) Financing activities

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

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

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

These securities are measured at their fair value in accordance with market prices at the reporting date. Gains or losses resulting from their adjustment to fair value, as well as gains and losses from trading activities are included within the caption “Net financial result” in the Consolidated Statements of Income.

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

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

a) the financial asset is held within a business model the purpose of which is achieved by obtaining contractual cash flows and disposing of financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their characteristics and risk are not closely related to those of the host contract and not measured at fair value with the related unrealized gains or losses included in profit or loss. As at December 31, 2023 and 2022, the Bank records no separable embedded derivatives.

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

Changes in the fair value of financial derivative contracts held for trading are included in "Financial gain (loss) from financial assets held for trading at fair value through profit or loss" in the 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 (see Note 12.d.2); and
- the hedge is highly effective in relation to the risk being hedged continuously throughout the entire hedging relationship.

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

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

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

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

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

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

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

(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) Financial debt securities

Financial debt securities include the balances of debt instruments of Government and Banco Central de Chile and Other financial debt securities issued in Chile and abroad.

iii) Loans and advances to banks

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

iv) Loans and advances to customers

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

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

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

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

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

v) Write-off of loans and advances

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

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

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

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.

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

a) the Bank reaches the conclusion that there is no likelihood of recovery of rentals and that the value of the asset cannot be considered for contract recovery purposes, whether because it is no longer in the possession of the lessor, due to its condition, as a result of expenses involved in its recovery, transfer and maintenance for technological obsolescence or because there is no information about its current location and condition.

b) upon completion of the prescription period for the collection procedures or at the moment of the rejection or abandonment of the execution of the contract through legal judgment.

c) when the period in which a contract has been maintained in delinquency reaches the term indicated below.

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

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

vi) 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.

ii) Joint ventures

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

iii) Shares or interests in other companies

Entities which are not significantly controlled or influenced by the Bank are recorded in this line item. It includes the minority permanent investments in domestic or foreign companies, recorded at their acquisition cost and subsequently at fair value through Other Comprehensive Income and recording the related impairment adjustments, where applicable.

(q) Intangible assets

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

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

i) Software or computer software

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

The subsequent expense in program assets is capitalized solely when the economic benefits in the specific asset to which they relate increase. All other expenses are recorded as expenditures as incurred.

Amortization is recognized in profit or loss under "Depreciation and amortization" in the 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. Estimated useful lives of IT software have been established between 5 and 10 years.

ii) Other identifiable intangible assets

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

iii) Intangible assets from business combinations

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

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

(r) Property and equipment

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

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

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

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

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

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

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

i) *Right-of-use assets under lease contracts*

The Bank and its subsidiaries have lease contracts related to certain assets to meet the normal performance of its operating activities. When in such contract, it acts as lessee, the Bank should recognize in its Consolidated Financial Statements a right-of-use asset, representing the right to use the underlying asset specified in the lease contract.

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

- short-term leases (less than 12 months); and
- leases for which the underlying asset is of low value.

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

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

a) the amount of the initial measurement of the lease liability;
b) lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the lessee; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lessee may incur the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

A lessee shall recognize the costs described in letter d) above as part of the cost of the right-of-use asset when it incurs an obligation for those costs.

After the date of initial recognition, the Bank measures the right-of-use asset applying a cost model less accumulated depreciation/amortization and accumulated impairment; adjusted for any remeasurement of the lease liability.

The Bank and its subsidiaries apply the straight-line method to depreciate the right-of-use asset from the commencement date to the earlier of the end of the lease term Management has estimated for its use.

ii) Lease liabilities

In connection with the recognition of a right-of-use asset in the financial statements, the Bank shall recognize as a counterpart a lease liability related to the financial obligation assumed of paying the underlying lease asset.

At the commencement date, the Bank and its subsidiaries measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Bank uses its incremental borrowing rate.

A lease liability is remeasured when there is a change in future lease payments resulting from a change in an index or a rate.

iii) Sales with subsequent lease

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

(t) Current tax and deferred taxes

The determination of income tax expense is performed in accordance with IAS12 "Income Taxes" and the Income Tax Law. Income tax expense comprises current tax and deferred taxes.

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

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

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

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

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

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

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

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

In order to classify these assets as "Non-current assets held for sale and discontinued operations", in accordance with IFRS5, the Bank should ensure it complies with the following requirements:

- it must be available in its current conditions for immediate sale and its sale must be highly probable.
- for the sale to be highly probable, an appropriate management level must be committed with a plan to sell an asset (or a disposal group), and a program to find a buyer must have started and operate actively.
- Likewise, the sale must be expected to meet the conditions for recognition as a sale completed within one year from the date of classification.

Impairment losses in the initial classification as non-current assets held for sale and subsequent losses are recognized in profit or loss in the caption "Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations."

ii) Assets received in lieu of payment or awarded

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

Subsequently, such assets are measured at the lower of the initial carrying amount or net realizable value, which corresponds to its fair value (liquidity value determined through an independent appraisal) less the related costs to sell. Differences between both amounts are recognized as "Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations." in the Consolidated Statements of Income. Assets received in lieu of payment or awarded in a legal auction are classified in the caption "Non-current assets and disposal groups held for sale" and are presented net of provisions.

In general, the Bank believes assets received in lieu of payment or awarded in legal auction will be sold within one year from their date of award. Assets not sold during such term are written-off as per the instructions issued by the CMF. This is subject to possible transitional provisions issued by the regulator that establish new terms on this matter.

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

This item mainly comprises financial derivative contracts with negative valuation and which are not part of a specific accounting hedging relationship. They are measured at fair value and the gains or losses are recorded in "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

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

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

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

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

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

(y) Provisions and contingent liabilities

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

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

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

Provisions, which are calculated considering the best information available on the consequences of the event that gave rise to them are re-estimated on each closing date, are used to comply with specific obligations for which they were originally recognized. These are reversed when such obligations decrease or cease to exist.

Provisions are classified according to the following obligations covered:

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

(z) Provisions for minimum dividends

In Article 79 in Chile's Law of Public Companies it is established that, unless different from the adopted in the meeting and by the issued shares unanimously, public companies will have to distribute annually as dividend in cash to its shareholders, proportionally of its shares or the proportion established by the by-laws at least the 30% of liquid gains of each year, except when accumulated losses coming from previous year are to be absorbed.

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

(aa) Special allowances for credit losses

The Bank has established allowances for potential credit losses from loans and advances to customers, in accordance with the instructions issued by the CMF and its credit risk rating and evaluation models approved by the Board of Directors.

In order to determine its provision for credit risk, the Bank uses models or methodologies based on the individual and collective analyses of debtors to make provisions for loans and receivables from customers, which are defined below.

Allowances for loans by individual assessment

The individual analysis of debtors is applied to customers, natural persons or legal entities which, due to their size, complexity or exposure level, must be known comprehensively, requiring the assignment of a credit rating for each debtor.

All the customers of the Corporate, Real Estate, Large Companies or Wholesale segments will be considered to be business portfolio assessed individually. It will also consider the debtors with operations different to those mentioned above recording annual sales higher than or equal to MCh$1,000 or business debt obligations higher than or equal to MCh$500. In addition, all customers who are part of a business group, record commercial loans and whose total indebtedness, excluding mortgage loans, reaches an amount equal to or higher than UF20,000, will be included as individual customers. Finally, all the debtors that have recorded in their loans cross-border transactions will be included as individual customers.

To make the allowances, the Bank classifies its debtors and transactions related to loans and contingent loans in the related categories, with the prior allocation to one of the following three portfolio categories: Normal, substandard and in default as established in the Compendium of Accounting Standards for Banks (CNC) issued by the CMF. Based on the debtor rating, the Bank assigns probability of default and loss on default percentages, which result in the expected loss percentage:

Type of Portfolio	Debtor category	Probability of default (%)	Loss given default (%)	Expected loss (%)
Normal portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

Type of Portfolio	Risk grade	Range of expected loss	Allowance (%)
In default	C1	Up to 3%	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30% up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

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

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

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

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

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

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

Allowances for loans associated with collective assessment:

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

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

The Bank uses a model for commercial exposures under MCh$500 to determine an allowance based on the concept of expected loss of a loan.

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

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

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

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

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

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

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

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

EL = PD * LGD * Exposure

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

The expected loss of the Chilean Government is applied to the guaranteed percentage of the FOGAPE, FOGAIN and CORFO reprogramming loan operations and other types of guarantees are also used, such as reciprocal guarantee companies (RGC) or for school infrastructure.

Depending on the age of a customer, the customer's PD can be estimated by a model for new customers or a model for behavior or old customers. The new customer models collect demographic and financial behavior features of the customer, while the behavior models seek information on the internal behavior of the Bank or its subsidiary, depending on the model, and of the financial institutions. In other words, new customer models look for customer features and behavior models focus on the customer's internal credit behavior. To determine the PD and the LGD, we seek to group customers with similar features, which allows us to determine that the groups are homogeneous within them and heterogeneous among them.

Additional allowances for loans:

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

During 2023, a bimonthly follow-up on additional provisions was performed, where it was decided to maintain the volume of provisions made, also taking into consideration that the hedge has been maintained at adequate levels according to internal guidelines, the Bank is expected to maintain the follow-up defined in the guidelines to define possible adjustments in 2024.

Additionally, during the year ended December 31, 2023, the subsidiary CAT made a voluntary specific provision of MCh$ 25,000. This was performed to maintain adequate hedge levels, and its release will depend on the evolution of these indicators, which will be monitored during 2024.

Allowances for contingent loans

Contingent loans are all those operations or commitments in which the Bank assumes credit losses by having an obligation with a third party upon occurrence of a future event, to make a payment or disbursement that shall be recovered from its customers, as in the case of readily available revolving credit facilities, readily available revolving credit facilities with immediate payment, loans for higher education under Law No.20027 (CAE), letters of credit for goods movement transactions, commitments to purchase debt in local currency abroad, transactions related to contingent events, guarantees and sureties, other irrevocable credit commitments and other contingent loans.

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

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

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

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

(ab) Financial guarantees

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

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

(ac) Use of judgments and estimates

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

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

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

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

(ad) Interest and indexation income and expenses

Interest income and expenses are recognized in the Consolidated Statements of Income on an accrual basis, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, in a shorter period) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs, premiums, discounts, as well as all fees and commissions and other concepts paid or received that are directly attributable to the acquisition or issue of a financial asset or liability.

Adjustments mainly relate to the indexation associated with changes in the value of Unidad de Fomento (UF), which amounted to Ch$36,789.36 as at December 31, 2023 (Ch$35,110.98 as at December 31, 2022).

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

(ae) Fee and commission income and expenses

Financial fees and commissions and transaction costs directly associated with the generation of certain financial assets and liabilities, are a part of the initial valuation of such financial assets and liabilities for the determination of the effective interest rate.

Fee and commission income and expenses not related to the generation of financial assets and liabilities are recognized on an accrual basis.

In general, unearned income and prepayments related to commissions for future services to be provided or received are transferred on a straight-line basis to profit or loss over the period that contractually covers those payments and collections.

Fee and commission income and expenses are recognized as the related services are provided.

(af) Expenses for employee benefit obligations. Employee benefits and accrued vacation cost

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

In addition, the obligations for long-term employee benefits and employment contract termination benefits agreed in the several collective bargaining agreements in force between Scotiabank Chile and its employees through the labor unions, incorporate clauses for the payment of incentives related to seniority bonuses, severance indemnity payments for voluntary retirement and caps other than those established in the Labor Code, established ad-hoc in the several agreements. In order to receive such benefits, the employee must meet a set of clearly-established requirements.

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

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

The effect of the provisions for such benefits is recognized in the caption “Provisions for contingencies” in the Consolidated Statements 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.

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

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

(ah) Basic and diluted earnings per share

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

The calculation of diluted earnings per share is determined on the profit attributable to the Bank for a year, divided by the sum of the number of outstanding shares plus the weighted-average number of ordinary shares that would be issued in the event of converting into ordinary shares all potential dilutive ordinary shares.

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

Note 3 New accounting pronouncements issued and adopted, or issued but not yet adopted

i) Adoption of new standards and amendments introduced by the CMF

Circular No.2330, January 13, 2023: Incorporates the new Chapter 21-14 to the Updated Compilation of Standards (RAN) for Banks, which contains the provisions related to the performance of the internal liquidity adequacy assessment process (ILAAP) and the general requirements and conditions considered by the CMF for the assessment of the adequacy of the liquidity position of banks. The regulations will become effective beginning in April 2023, when banks must send the first Liquidity Self-Assessment Report (IAL) in simplified format. All of the topics included in the regulations will be required in April 2025.

Exempt Resolution No.368, January 8, 2024: The CMF released Norma de Caracter General No.501, which establishes the minimum information to be included in the policies for regular transactions and regulates the public disclosure of transactions with related parties performed. The topics contained in these regulations will become effective beginning on September 1, 2024.

ii) New pronouncements introduced by the IASB

Current accounting pronouncements

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

New IFRS	Mandatory application date
IFRS17 Insurance Contracts	Annual periods beginning on or after January 1, 2023.
Amendments to IFRS	**Mandatory application date**
Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2 Making Materiality Judgements)	Annual periods beginning on or after January 1, 2023.
Definition of Accounting Estimates (Amendments to IAS8)	Annual periods beginning on or after January 1, 2023.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS12)	Annual periods beginning on or after January 1, 2023.
International Tax Reform Pillar Two Model Rules (Amendments to IAS12)	Annual periods beginning on or after January 1, 2023.

IFRS17 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 IFRS17 to January 1, 2023. Early adoption is permitted if IFRS9 and IFRS15 have been adopted. The Board also decided to extend the temporary exemption to IFRS9 granted to insurers who meet specified criteria, through January 1, 2023.

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

Disclosure of Accounting Policies (Amendments to IAS1 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 IAS1 "Presentation of Financial Statements" and an update to Statement of Practice 2.
The amendments include the following:

- Require companies to disclose their material accounting policies rather than significant accounting policies;
- Clarify that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and therefore need not be disclosed;
- Clarify that not all accounting policies that relate to material transactions, other events or conditions are themselves material to the Company's financial statements.

Amendments to Practical Statement 2 include two additional examples of the application of materiality in accounting policy disclosures.

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

Definition of Accounting Estimates (Amendments to IAS8)

In February 2021, the Board issued amendments to IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors", to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus on the definition and clarification of accounting estimates.

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

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS12)

In May 2021, the Board issued amendments to IAS12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction", to clarify how companies should account for deferred tax in certain types of transactions where an asset and a liability are recognized, such as leases and decommissioning obligations.

Amendments reduce the scope of the exemption on initial recognition so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning obligation.

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

International Tax Reform Pillar Two Model Rules (Amendments to IAS12)

In May 2023, the Board issued amendments to IAS12 to respond to concerns from stakeholders on possible implications of the imminent implementation of International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 of the Organisation for Economic Co-operation and Development (OECD) on income taxes.

The amendments include the following aspects:

- Introduce an exception to the requirements of IAS12 Income Taxes regarding the recognition and disclosure of deferred taxes related to the implementation of the OECD Pillar Two model rules, which is effective immediately and is applied retrospectively, in accordance with the guidelines set out in IAS8 Accounting Policies, Changes in Accounting Estimates and Errors. Likewise, it establishes that the entity must disclose that it has applied the exception indicated.
- Disclosure requirements during the period that the Pillar Two model is enacted, but not yet effective. An entity should disclose information that is known or can be reasonably estimated and that assist users of financial statements to understand the entity's exposure to income taxes that may arise from the Pillar Two model.
- Disclosure requirements are applicable for annual periods beginning on or after January 1, 2024.

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

Accounting pronouncements issued but not yet effective

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

Amendments to IFRS	Mandatory application date
Classification of Liabilities as Current or Non-Current (Amendments to IAS1)	Annual periods beginning on or after January 1, 2024. Early adoption is permitted
Sale or Contribution of Assets Between and Investor and its Associate or Joint Venture (Amendments to IFRS10 and IAS28)	Effective date deferred indefinitely.
Lease Liability in a Sale and Leaseback (Amendments to IFRS16)	Annual periods beginning on or after January 1, 2024. Early adoption is permitted
Non-current Liabilities with Covenants (Amendments to IAS1)	Annual periods beginning on or after January 1, 2024.
Supplier Finance Arrangements (Amendments to IFRS7 and IAS7)	Annual periods beginning on or after January 1, 2024.
Lack of Exchangeability (Amendment to IAS21)	Annual periods beginning on or after January 1, 2025. Early adoption is permitted

Classification of Liabilities as Current or Non-current (Amendments to IAS1)

The International Accounting Standards Board amended IAS1 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 IAS1 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 IAS32 "Financial Instruments: Presentation.

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2024. Early adoption is permitted. However, companies will consider including disclosures in conformity with IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors" in their next annual financial statements.

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

Sale or Contribution of Assets Between and Investor and its Associate or Joint Venture (Amendments to IFRS10 and IAS28).

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 IFRS3 "Business Combinations." This amendment establishes strong pressure on the definition of a “business” for recognition in profit or loss. Also, it introduces new and unforeseen recognition for transactions that partially consider maintenance in assets that are not businesses.

The effective application of this amendment has been deferred indefinitely.

Lease Liability on a Sale and Leaseback (Amendments to IFRS16)

In September 2022, the Board issued amendments to IFRS16 "Leases – Lease liability on a Sale and Leaseback", which sets out the requirements for how an entity should account for a sale and leaseback after the date of the transaction.

While IFRS16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, the standard does not specify how the subsequent measurement of this transaction would be. The amendments issued by the Board are additional to the requirements established in IFRS16 for leaseback sales, which support the consistent application of the standard.

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

Non-current Liabilities with Covenants (Amendments to IAS1)

The International Accounting Standards Board issued in October 2022 the amendment to IAS1 Presentation of Financial Statements, in which it indicates that only covenants that a company must meet on or before the reporting date affect the classification of a liability as current or non-current.

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

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

Supplier Finance Arrangements (Amendments to IAS7 and IFRS7)

In May 2023, the International Accounting Standards Board issued amendments to IAS7 Statement of Cash Flows and IFRS7 Financial Instruments: Disclosures, which establish additional disclosure requirements to be included in the notes related to Supplier Finance Arrangements, which will supplement the requirements currently established in IFRS Standards and will provide information that will allow the users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, as well as its exposure to liquidity risk.

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

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

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

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

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

Lack of Exchangeability (Amendment to IAS21)

On August 15, 2023, the International Accounting Standards Board (IASB) issued the amendment to IAS21 — The Effects of Changes in Foreign Exchange Rates, "Lack of Exchangeability" to respond to commentary from stakeholders and concerns on the diversity in practice when accounting for the lack of exchangeability between currencies. These amendments establish criteria that will allow companies to assess whether a currency is exchangeable into another currency and when it is not, so that they can determine the exchange rate to be used and the disclosures to be provided, in the event that the currency is not exchangeable.

The amendments establish that a currency is exchangeable into another currency at a measurement date when an entity can exchange that currency into another currency within a timeframe that includes a normal administrative delay and through a market or exchange mechanism in which the exchange transaction would create enforceable rights and obligations. If an entity can only obtain an insignificant amount of the other currency at the measurement date for the specified purpose, such currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's purpose when estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under economic conditions prevailing. The amendments do not specify how an entity estimates the spot exchange rate to meet such objective. An entity may use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- A spot exchange rate for a purpose other than that for which an entity assesses exchangeability.
- The first exchange rate at which an entity can obtain the other currency for the specified purpose after currency exchangeability is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate (including rates of exchange transactions in foreign exchange markets or mechanisms that do not create enforceable rights and obligations) and adjust that exchange rate, as required, to meet the objective established previously.

An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted. If an entity applies the amendments for an earlier period, it is required to disclose that fact.

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

Note 4 Changes in accounting policies

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

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

Description of impacts as at January 1, 2022:

a) Suspension of revenue recognition on an accrual basis

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

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

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

Concept- First application adjustment	Loans MCh$	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 provisions of MCh$12,306.

The impact of this amendment is as follows:

Concept - First application adjustment	Revolving credit facilities	Credit card	Total
	MCh$	MCh$	MCh$
Commercial	944	304	1,248
Consumer	303	10,755	11,058
Total	**1,247**	**11,059**	**12,306**

d) Deferred tax assets

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

The debit for deferred tax assets consists of:

Concept- First application adjustment	Amount MCh$
Deferred tax asset - suspension of accrual	435
Deferred tax assets - special provisions for credit risk	52
Total deferred tax assets	**487**

The credit for deferred tax liabilities consists of:

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

e) Minority interest

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

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

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 IFRS9, regarding classification and impairment of financial instruments shall be applied retrospectively. In the pro forma financial statements as at January 1, 2021 and December 31, 2021, the Bank determined impairment to the captions "Rights under resale agreements and securities lending agreements" and "Financial assets at fair value through other comprehensive income."

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

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

Equity reconciliation - First application adjustments	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 - suspenson of accruals	953	-	953
Commercial loans - renegotiations of transactions written-off	852	-	852
Consumer loans - renegotiations of transactions written-off	2,012	-	2,012
Mortgage loans - renegotiations of transactions written-off	1,149	-	1,149
Special allowances for credit losses	12,306	-	12,306
Deferred tax asset	487	-	487
Deferred tax liability	(4,090)	-	(4,090)
Minority interest - CAT Administradora de Tarjetas S.A.	(2,041)	-	(2,041)
Minority interest - Scotia Azul Sociedad de Leasing Inmobiliario S.A.	3	-	3
Net effect not from earnings (equity)	**7,439**	**(716)**	**6,723**

Other changes in accounting policies

During the year ended December 31, 2023, there have been no significant changes in accounting policies that affect the interpretation of these Consolidated Financial Statements.

Note 5 Significant events

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

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

Note 6 Business segments

Scotiabank Chile is a universal bank offering a great variety of products and financial services to various kinds of customers, ranging from major corporations and financial institutions to low/medium income individuals, which are classified in different segments referred to their business characteristics.

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

In conformity with IFRS8 "Operating Segments", the Bank has added the operating segments with similar economic characteristics considering the aggregation criteria indicated in such standard. The Bank performs its business activities by lines of business, which have been defined based on the target customers. Scotiabank Chile targets the following market segments which are defined as Retail Banking (Individuals and SMEs), Wholesale, CAT, Treasury and Others. A business segment comprises customers to whom a differentiated product offering is directed according to their commercial characteristics, measured on a similar basis in terms of performance.

Information included in this note is not necessarily comparable to that of other financial institutions as it is based on the internal system of management information according to the segments set up independently by the Bank. Each business segment reflects its gross operating income, supporting expenses and net provisions for risk along with their related assets and liabilities. Taxes are managed at the corporate level and are not allocated by business segment.

As the Bank's business is based in Chile, it is not relevant to present information for Geographical Segments.

The following are the business segments established by the Bank:

1. Retail

Personal Banking: This segment addresses individual customers whose income is over US$200. The main products offered by the Bank in this segment include consumer loans, overdraft credit line, credit cards, and mortgage loans. In addition, the Bank has liability products for this tranche, and offers chequing accounts and diverse saving products such as term deposits, agreements, mutual funds and short-term investments. In addition, the Bank provides this segment of customers with a variety of financial services such as foreign currency exchange, shares sales, insurance products, and self-service in branch offices where customers can directly perform a series of transactions in their own account.

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

2. Wholesale banking

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

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

3. CAT

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

4. Treasury

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

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

5. Other

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

The following table shows the consolidated income of Scotiabank Chile, for each of the abovementioned segments:

	As at December 31, 2023					
	Retail MCh$	Wholesale MCh$	CAT MCh$	Treasury MCh$	Other MCh$	Total MCh$
Net interest income	540,642	312,208	278,882	(281,276)	505	850,961
Other income	125,544	215,272	90,017	273,238	16,831	720,902
Equity in net income of investees	-	-	-	-	6,362	6,362
Total operating income	**666,186**	**527,480**	**368,899**	**(8,038)**	**23,698**	**1,578,225**
Operating expenses	(314,819)	(123,884)	(126,937)	(4,150)	(28,418)	(598,208)
Depreciation and amortization	(36,262)	(10,800)	(12,037)	(4,816)	(2,999)	(66,914)
Credit losses expense	(166,494)	(45,145)	(212,117)	-	1,830	(421,926)
Segment operating profit (loss)	**148,611**	**347,651**	**17,808**	**(17,004)**	**(5,889)**	**491,177**
Income tax expense						(74,612)
Profit (loss) for the period						**416,565**
Spot Volumes						
Assets (loans)	18,779,138	10,923,353	1,662,208	-	35,108	**31,399,807**
Liabilities (Core and Term deposits)	6,920,590	5,472,610	-	3,459,397	2,179,467	**18,032,064**

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

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.

Note 7 Cash and cash equivalents

The detail of cash and cash equivalents is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Cash and deposits in banks		
Cash	160,130	293,138
Deposits in Banco Central de Chile (i)	670,316	341,007
Deposits in foreign Central Banks	-	-
Deposits in domestic Banks	12,316	5,968
Deposits in foreign Banks	367,122	628,065
Subtotal - Cash and deposits in Banks	**1,209,884**	**1,268,178**
Net trading operations pending settlement (ii)	55,769	54,778
Other cash equivalents (iii)	274,207	918,614
Total cash and cash equivalents	**1,539,860**	**2,241,570**

(i) The level of funds in cash and in Banco Central de Chile corresponds to reserve regulations that the Bank has to keep as an average in monthly periods.

(ii) Trading operations pending settlement correspond to transactions that have been traded but yet are pending settlement which will increase or decrease the funds maintained in the Banco Central de Chile or in banks in foreign countries, normally within a period ranging between 12 and 24 working hours, and are detailed as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Assets		
Notes in charge of other banks (exchange)	33,243	34,652
Transfer of funds pending receipt	355,898	530,769
Subtotal assets	**389,141**	**565,421**
Liabilities		
Transfer of funds pending delivery	(333,372)	(510,643)
Subtotal liabilities	**(333,372)**	**(510,643)**
Net trading operations pending settlement	**55,769**	**54,778**

(iii) Refers to financial instruments that meet the criteria to be considered as "cash equivalents" as defined by IAS7, 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.

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

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

	12/31/2023 MCh$	12/31/2022 MCh$
Derivative instruments		
Forwards	780,562	1,227,883
Swaps	4,913,421	5,585,410
Call options	298	-
Put options	43	-
Forwards	-	-
Other	-	-
Financial debt securities		
Government and Banco Central de Chile	34,446	214,863
Other debt financial instruments issued in Chile	147,934	196,121
Debt financial instruments issued abroad	11,440	8,355
Other debt financial instruments		
Investments in mutual funds	48,839	90,175
Equity instruments	7,358	5,264
Loans originated and acquired by the entity	-	-
Other	-	-
Total	**5,944,341**	**7,328,071**

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

As at December 31, 2023	Notional amounts of contracts with final maturity (1)							Fair Value
Product	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$	Assets MCh$
Forward								
Future arbitration	-	469,274	684,558	498,664	229,805	17,530	-	29,937
Paper forward	-	-	-	-	-	-	-	-
Exchange insurance	-	12,664,619	7,165,032	6,463,092	1,719,169	508,657	832,142	540,366
Inflation insurance	-	1,215,589	1,660,201	3,254,867	3,298,199	1,440,015	3,972,265	210,259
Subtotal forward	**-**	**14,349,482**	**9,509,791**	**10,216,623**	**5,247,173**	**1,966,202**	**4,804,407**	**780,562**
Options								
Call option	-	1,098	7,952	9,044	-	-	-	298
Put option	-	1,092	-	-	-	-	-	43
Subtotal options	**-**	**2,190**	**7,952**	**9,044**	**-**	**-**	**-**	**341**
Swap								
Cross currency swap	-	1,120,657	2,098,402	6,479,584	14,643,182	8,215,231	13,510,074	3,058,845
Rate Swap	-	4,782,210	10,090,550	32,661,452	21,343,124	11,915,337	17,034,500	1,854,576
Subtotal swap	**-**	**5,902,867**	**12,188,952**	**39,141,036**	**35,986,306**	**20,130,568**	**30,544,574**	**4,913,421**
Total	**-**	**20,254,539**	**21,706,695**	**49,366,703**	**41,233,479**	**22,096,770**	**35,348,981**	**5,694,324**

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

As at December 31, 2022	Notional amounts of contracts with final maturity (1)							Fair Value
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Forward								
Future arbitration	-	387,348	464,712	521,998	308,790	68,222	-	58,264
Paper forward	-	20,685	-	-	-	-	-	62
Exchange insurance	-	8,327,025	7,213,782	8,452,776	2,623,041	786,049	639,437	900,232
Inflation insurance	-	791,312	3,606,313	4,127,076	3,599,745	1,265,890	4,349,518	269,325
Subtotal forward	**-**	**9,526,370**	**11,284,807**	**13,101,850**	**6,531,576**	**2,120,161**	**4,988,955**	**1,227,883**
Options								
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Subtotal options	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Swap								
Cross currency swap	-	1,236,105	2,858,651	7,744,920	14,383,830	9,888,402	14,405,853	3,180,295
Rate Swap	-	4,679,594	12,152,237	22,050,888	20,937,549	14,918,159	19,677,894	2,405,115
Subtotal swap	**-**	**5,915,699**	**15,010,888**	**29,795,808**	**35,321,379**	**24,806,561**	**34,083,747**	**5,585,410**
Total	**-**	**15,442,069**	**26,295,695**	**42,897,658**	**41,852,955**	**26,926,722**	**39,072,702**	**6,813,293**

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

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

As at December 31, 2023	Notional amounts of contracts with final maturity (1)							
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Fair Value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	1,999	-	19,534	-	-	-	21,533
Bonds or promissory notes issued by the Treasury	-	195	350	230	5,998	3,801	2,567	12,913
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile:	**-**	**2,194**	**350**	**19,764**	**5,998**	**3,801**	**2,567**	**34,446**
Debt financial instruments issued by other domestic banks	-	-	1,973	124,823	9,065	5,081	3,031	143,972
Domestic corporate bonds and commercial paper	-	-	-	-	1,915	883	1,435	3,962
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	**-**	**-**	**1,973**	**124,823**	**10,980**	**5,964**	**4,466**	**147,934**
Debt financial instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	2,622	-	-	8,739	11,440
Debt financial instruments of other foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	**-**	**-**	**-**	**2,622**	**-**	**-**	**8,739**	**11,440**
Other financial instruments								
Investments in mutual funds	38,588	10,251	-	-	-	-	-	48,839
Equity instruments	7,358	-	-	-	-	-	-	7,358
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	**45,946**	**10,251**	**-**	**-**	**-**	**-**	**-**	**56,197**
Total	**45,946**	**12,445**	**2,323**	**147,209**	**16,978**	**9,765**	**15,772**	**250,017**

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

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

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

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

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

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

Note 11 Financial assets at fair value through other comprehensive income

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

	12/31/2023 MCh$	12/31/2022 MCh$
Debt financial instruments	2,188,905	2,360,643
Other	-	-
Total	**2,188,905**	**2,360,643**

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

As at December 31, 2023	Nominal amounts							
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Fair Value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	-	-	406,000	-	-	-	395,919
Bonds or promissory notes issued by the Treasury	761	-	50,000	110,000	855,598	63,789	755,073	1,782,154
Other Treasury debt financial instruments	-	-	1	9	1,024	1,171	8,627	10,832
Government and Banco Central de Chile:	**761**	**-**	**50,001**	**516,009**	**856,622**	**64,960**	**763,700**	**2,188,905**
Debt financial instruments issued by other domestic banks	-	-	-	-	-	-	-	-
Domestic corporate bonds and commercial paper	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt financial instruments issued by foreign central banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	-	-	-	-	-
Debt financial instruments of other banks abroad	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other financial instruments	-	-	-	-	-	-	-	-
Total	**761**	**-**	**50,001**	**516,009**	**856,622**	**64,960**	**763,700**	**2,188,905**

As at December 31, 2022				Nominal amounts				
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Fair Value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	195,500	300,000	122,000	-	4,585	-	614,465
Bonds or promissory notes issued by the Treasury	-	-	-	-	336,360	635,155	849,816	1,734,379
Other Treasury debt financial instruments	-	-	2	13	355	1,125	10,304	11,799
Government and Banco Central de Chile:	**-**	**195,500**	**300,002**	**122,013**	**336,715**	**640,865**	**860,120**	**2,360,643**
Debt financial instruments issued by other domestic banks	-	-	-	-	-	-	-	-
Domestic corporate bonds and commercial paper	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt financial instruments issued by foreign central banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	-	-	-	-	-
Debt financial instruments of other banks abroad	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other financial instruments	-	-	-	-	-	-	-	-
Total	**-**	**195,500**	**300,002**	**122,013**	**336,715**	**640,865**	**860,120**	**2,360,643**

As at December 31, 2023, the Financial assets at fair value through other comprehensive income portfolio includes a net unrealized loss of MCh$110,969 (MCh$165,795 as at December 31, 2022) recorded as valuation adjustments in equity and a net realized gain of MCh$935 (net loss of MCh$655 as at December 31, 2022) recorded in the caption "Gain or loss from derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

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

As at December 31, 2023	Stage 1		Stage 2		Stage 3		Total	
	Fair Value MCh$	Expected Credit Losses MCh$	Fair Value MCh$	Expected Credit Losses MCh$	Fair Value MCh$	Expected Credit Losses MCh$	Fair Value MCh$	Expected Credit Losses MCh$
As at January 1, 2023	2,360,643	(919)	-	-	-	-	2,360,643	(919)
Net changes (purchase/sale) for the period	(263,236)	89	-	-	-	-	(263,236)	89
Change in fair value	53,479	-	-	-	-	-	53,479	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact of transfers in Expected Credit Losses	-	-	-	-	-	-	-	-
Reductions due to discounts	(219)	-	-	-	-	-	(219)	-
Accrued interest	31,487	-	-	-	-	-	31,487	-
Remeasures of Expected Credit Losses at year-end	-	-	-	-	-	-	-	-
Changes in assumptions	306	-	-	-	-	-	306	-
Exchange rate adjustments	6,445	-	-	-	-	-	6,445	-
Balance as at December 31, 2023	**2,188,905**	**(830)**	**-**	**-**	**-**	**-**	**2,188,905**	**(830)**

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

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

As at December 31, 2023	Amortized cost MCh$	Fair Value MCh$	Unrealized gains/(losses), gross MCh$
Government and Banco Central de Chile			
Debt financial instruments issued by Banco Central de Chile	393,433	395,919	2,486
Bonds and promissory notes issued by the Treasury	1,895,604	1,782,154	(113,450)
Other treasury debt financial instruments	10,837	10,832	(5)
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	**2,299,874**	**2,188,905**	**(110,969)**

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

Note 12 Derivative instruments for accounting hedge

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

	12/31/2023 Asset (in favor) MCh$	12/31/2023 Liability (against) MCh$	12/31/2022 Asset (in favor) MCh$	12/31/2022 Liability (against) MCh$
Designated derivatives in fair value hedging relationships	90,533	(56,982)	81,407	(41,951)
Designated derivatives in cash flow hedging relationships	226,775	(1,398,674)	313,704	(1,494,929)
Total derivatives designated in hedging relationships	**317,308**	**(1,455,656)**	**395,111**	**(1,536,880)**

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

As at December 31, 2023	Notional amounts of contracts with final maturity							Carrying amount	
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedging derivatives									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	-	-	-	-	-	-
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	48,733	-	123,242	205,454	142,907	358,187	89,698	(49,673)
Rate Swap	-	-	-	406,000	12,850	-	157,020	835	(7,309)
Subtotal	**-**	**48,733**	**-**	**529,242**	**218,304**	**142,907**	**515,207**	**90,533**	**(56,982)**
Cash flow hedge derivative									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	36,773	36,773	275,796	11,032	-	-	2,699	-
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	92,883	339,628	1,110,721	2,752,110	1,570,213	2,007,263	220,557	(1,381,257)
Rate Swap	-	-	-	-	-	109,650	396,363	3,519	(17,417)
Subtotal	**-**	**129,656**	**376,401**	**1,386,517**	**2,763,142**	**1,679,863**	**2,403,626**	**226,775**	**(1,398,674)**
Total	**-**	**178,389**	**376,401**	**1,915,759**	**2,981,446**	**1,822,770**	**2,918,833**	**317,308**	**(1,455,656)**

As at December 31, 2022	Notional amounts of contracts with final maturity							Carrying amount	
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedging derivatives									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	-	-	-	-	-	-
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	-	44,591	-	228,039	155,051	554,402	77,340	(23,388)
Rate Swap	-	182,429	651,864	-	-	12,850	69,000	4,067	(18,563)
Subtotal	**-**	**182,429**	**696,455**	**-**	**228,039**	**167,901**	**623,402**	**81,407**	**(41,951)**
Cash flow hedge derivative									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	70,199	167,426	291,328	63,179	-	-	2,541	(17,959)
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	89,649	542,799	691,563	1,815,117	2,090,182	2,026,776	311,163	(1,446,898)
Rate Swap	-	-	51,012	-	-	403,780	87,556	-	(30,072)
Subtotal	**-**	**159,848**	**761,237**	**982,891**	**1,878,296**	**2,493,962**	**2,114,332**	**313,704**	**(1,494,929)**
Total	**-**	**342,277**	**1,457,692**	**982,891**	**2,106,335**	**2,661,863**	**2,737,734**	**395,111**	**(1,536,880)**

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

As at December 31, 2023	Book Value							
	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								
Government instruments and Banco Central de Chile	-	-	-	347,262	122,432	32,667	235,377	737,738
Other instruments issued in Chile	-	-	-	-	-	-	-	-
Other instruments issued abroad	-	-	-	-	-	-	-	-
Consumption	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
Commercials	-	-	-	-	-	-	-	-
Term deposit	-	-	-	-	-	-	-	-
Current bonds	-	-	-	-	57,600	109,759	332,658	500,017
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
Promissory notes	-	64,744	-	160,861	50,023	-	-	275,628
Total	**-**	**64,744**	**-**	**508,123**	**230,055**	**142,426**	**568,035**	**1,513,383**

As at December 31, 2022	Book Value							
	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								
Government instruments and Banco Central de Chile	-	-	-	-	-	-	-	-
Other instruments issued in Chile	-	-	-	-	-	-	-	-
Other instruments issued abroad	-	-	-	-	-	-	-	-
Consumption	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
Commercials	-	-	-	-	-	-	-	-
Term deposit	-	140,856	790,836	-	-	-	-	931,692
Current bonds	-	-	4,604	-	16,534	136,685	660,124	817,947
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
Promissory notes	-	-	-	-	403,243	-	-	403,243
Total	**-**	**140,856**	**795,440**	**-**	**419,777**	**136,685**	**660,124**	**2,152,882**

d) Accounting hedge derivatives

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

Balances by risk management are presented below:

As at December 31, 2023	Nominal amount of the hedging instrument MCh$	Carrying amount of the hedging instrument Assets MCh$	Carrying amount of the hedging instrument Liabilities MCh$
Cash flow hedges:			
Interest rate risk			
Rate Swap	506,013	3,519	(17,417)
Cross currency swap	-	-	-
Exchange rate risk			
Cross currency swap	1,606,969	142,373	(44,761)
Inflation risk			
Inflation insurances	360,374	2,699	-
Cross currency swap	6,265,849	78,184	(1,336,496)
Subtotal	**8,739,205**	**226,775**	**(1,398,674)**
Fair value hedges:			
Interest rate risk			
Rate Swap	575,870	835	(7,309)
Inflation risk			
Cross currency swap	878,523	89,698	(49,673)
Subtotal	**1,454,393**	**90,533**	**(56,982)**
Total	**10,193,598**	**317,308**	**(1,455,656)**

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

d.1) Fair value accounting hedge derivatives

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

Additionally, the Bank uses fair value hedges to hedge the effect of inflation of debt instruments held for the sale of the Chilean General Treasury bonds in UF (BTU). Also, to hedge against the effect of the inflation of Bonds issued by the Bank in UF.

Hedging instruments include cross-currency interest rate swaps (CC and IRS).

d.2) Cash flow accounting hedge derivatives

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

As at December 31, 2023, the Bank has recorded a gain, net of tax of MCh$43,815 (loss of MCh$24,816 as at December 31, 2022) in other comprehensive income for the adjustment of cash flow hedging instruments.

As at December 31, 2023, a loss was recognized in profit or loss from cash flow hedging derivatives of MCh$61,700 (loss of MCh$726,600 as at December 31, 2022), which includes the non-effective part for changes in fair value of the hedging relation and the effects on profit or loss of the hedge as long as the hedged item affects profit or loss.

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

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Hedged Item - Assets	-	10,167	74,350	86,967	489,972	338,222	398,996	1,398,674
Hedged Item - Liabilities	-	(856)	(6,860)	(66,204)	(92,416)	(31,843)	(28,596)	(226,775)
Net cash flows	**-**	**9,311**	**67,490**	**20,763**	**397,556**	**306,379**	**370,400**	**1,171,899**

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

i) Cash flows forecast for interest rate risk:

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Hedged item								
Inflows	-	-	-	-	4,746	5,265	7,406	**17,417**
Outflows	-	-	-	-	(2,054)	(754)	(711)	**(3,519)**
Net flows	**-**	**-**	**-**	**-**	**2,692**	**4,511**	**6,695**	**13,898**
Hedging instruments								
Inflows	-	-	-	-	2,054	754	711	**3,519**
Outflows	-	-	-	-	(4,746)	(5,265)	(7,406)	**(17,417)**
Net flows	**-**	**-**	**-**	**-**	**(2,692)**	**(4,511)**	**(6,695)**	**(13,898)**

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

ii) Cash flows forecast for inflation risk:

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Hedged item								
Inflows	-	10,167	74,350	86,967	474,718	313,318	376,976	**1,336,496**
Outflows	-	(856)	(6,860)	(7,868)	(24,039)	(14,796)	(26,464)	**(80,883)**
Net flows	**-**	**9,311**	**67,490**	**79,099**	**450,679**	**298,522**	**350,512**	**1,255,613**
Hedging instruments								
Inflows	-	856	6,860	7,868	24,039	14,796	26,464	**80,883**
Outflows	-	(10,167)	(74,350)	(86,967)	(474,718)	(313,318)	(376,976)	**(1,336,496)**
Net flows	**-**	**(9,311)**	**(67,490)**	**(79,099)**	**(450,679)**	**(298,522)**	**(350,512)**	**(1,255,613)**

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

iii) Cash flows forecast for exchange rate risk:

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Hedged item								
Inflows	-	-	-	-	10,509	19,638	14,614	**44,761**
Outflows	-	-	-	(58,336)	(66,324)	(16,292)	(1,421)	**(142,373)**
Net flows	**-**	**-**	**-**	**(58,336)**	**(55,815)**	**3,346**	**13,193**	**(97,612)**
Hedging instruments								
Inflows	-	-	-	58,336	66,324	16,292	1,421	**142,373**
Outflows	-	-	-	-	(10,509)	(19,638)	(14,614)	**(44,761)**
Net flows	**-**	**-**	**-**	**58,336**	**55,815**	**(3,346)**	**(13,193)**	**97,612**

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

Ineffectiveness of accounting hedges

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

	12/31/2023 MCh$	12/31/2022 MCh$
Fair value hedges		
Gain (loss) recorded on the hedged items	17,878	(7,876)
Gain (loss) recorded on hedging instruments	(26,680)	11,177
Ineffectiveness	**(8,802)**	**3,301**
Cash flow hedges		
Ineffectiveness	**(2,918)**	**3,216**

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

As at December 31, 2023	Hedge ineffectiveness recognized in the result for the period MCh$	Amount reclassified from the cash flow hedge reserve to profit for the year MCh$
Interest rate risk	253	(252)
Exchange rate risk	84	(298)
Inflation rate risk	(3,255)	(61,150)
Total	**(2,918)**	**(61,700)**

As at December 31, 2022	Hedge ineffectiveness recognized in the result for the period MCh$	Amount reclassified from the cash flow hedge reserve to profit for the year MCh$
Interest rate risk	(75)	(56,652)
Exchange rate risk	235	(7,309)
Inflation rate risk	3,056	(662,639)
Total	**3,216**	**(726,600)**

Note 13 Financial assets at amortized cost

Financial assets at amortized cost are detailed as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Rights under resale agreements and securities lending agreements	226,394	216,976
Debt financial instruments	1,387,601	-
Loans and advances to banks	25,223	66,830
Loans and advances to customers	31,399,807	32,572,252
Total	**33,039,025**	**32,856,058**

a) Rights under resale agreements and securities lending agreements

The detail is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Operations with domestic banks	-	-
Operations with foreign banks	-	-
Operations with other domestic entities		
Repurchase contracts	226,410	215,559
Securities lending rights	-	1,426
Transactions with other entities abroad	-	-
Impairment in the accumulated value of financial assets at amortized cost - Rights from resale agreements and securities lending		
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	(16)	(9)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-
Financial assets with credit impairment (stage 3)	-	-
Total	**226,394**	**216,976**

The detail of the balance of rights for resale agreements and securities lending agreements separated by maturity period is as follows:

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Operations with domestic banks	-	-	-	-	-	-	-	-
Operations with foreign banks	-	-	-	-	-	-	-	-
Operations with other domestic entities	-	-	-	-	-	-	-	-
Repurchase contracts	-	208,964	16,589	857	-	-	-	226,410
Securities lending rights	-	-	-	-	-	-	-	-
Transactions with other entities abroad	-	-	-	-	-	-	-	-
Accumulated impairment of financial assets at amortized cost- Rights from resale agreements and securities lending								
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	-	(16)	-	-	-	-	-	(16)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-	-	-	-	-	-	-
Financial assets with credit impairment (stage 3)	-	-	-	-	-	-	-	-
Total	**-**	**208,948**	**16,589**	**857**	**-**	**-**	**-**	**226,394**

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

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

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$
Balance as at January 1, 2023	216,985	(9)	-	-	-	-	216,985	(9)
New assets originated or purchased	10,721,020	(16)	-	-	-	-	10,721,020	(16)
Payments and written-off assets	(10,729,936)	9	-	-	-	-	(10,729,936)	9
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	18,341	-	-	-	-	-	18,341	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2023	**226,410**	**(16)**	**-**	**-**	**-**	**-**	**226,410**	**(16)**

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

b) Financial debt securities

As at December 31, 2023 and 2022, the detail of financial debt securities is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Government and Banco Central de Chile	1,359,476	-
Other debt financial instruments issued in Chile	28,125	-
Debt financial instruments issued abroad	-	-
Total	**1,387,601**	**-**

The reconciliation of the changes in the caption "Financial debt securities" is presented below:

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$
Balance as at January 1, 2023	-	-	-	-	-	-	-	-
New assets originated or purchased	1,372,489	(2,781)	-	-	-	-	1,372,489	(2,781)
Payments and written-off assets	-	-	-	-	-	-	-	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	17,893	-	-	-	-	-	17,893	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2023	**1,390,382**	**(2,781)**	**-**	**-**	**-**	**-**	**1,390,382**	**(2,781)**

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$	Carrying amount MCh$	Expected Credit Loss MCh$
Balance as at January 1, 2022	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Payments and written-off assets	-	-	-	-	-	-	-	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

i) Loans and advances to banks

Owed by banks as at December 31, 2023 (in MCh$)	Financial assets before provisions				Allowances constituted				Net financial asset
	Regular portfolio	Substandard portfolio	Default portfolio	Total	Regular portfolio	Substandard portfolio	Default portfolio	Total	
	Individual evaluation	Individual evaluation	Individual evaluation		Individual evaluation	Individual evaluation	Individual evaluation		
Domestic Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-	-	-
Other debts with local banks	-	-	-	-	-	-	-	-	-
Foreign Banks	**25,238**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**(15)**	**25,223**
Liquidity interbank loans	-	-	-	**-**	-	-	-	**-**	**-**
Commercial interbank loans	-	-	-	**-**	-	-	-	**-**	**-**
Overdrafts on checking accounts	-	-	-	**-**	-	-	-	**-**	**-**
Foreign trade loans Chilean exports	25,238			**25,238**	(15)	-	-	**(15)**	**25,223**
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	**25,238**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**(15)**	**25,223**
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	**25,238**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**(15)**	**25,223**

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

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

ii) Loans and advances to customers

Loans and accounts receivable from customers As at December 31, 2023 (in MCh$)	Financial assets before provisions: Regular portfolio Evaluation Individual	Regular portfolio Evaluation Group	Substandard portfolio Evaluation Individual	Default portfolio Evaluation Individual	Default portfolio Evaluation Group	Total	Allowances constituted: Regular portfolio Evaluation Individual	Regular portfolio Evaluation Group	Substandard portfolio Evaluation Individual	Default portfolio Evaluation Individual	Default portfolio Evaluation Group	Subtotal	Deductible guarantees FOGAPE Covid-19	Total	Net financial asset
Commercial Loans:															
Commercial loans	8,339,756	1,157,924	785,866	312,190	144,076	**10,739,812**	(60,157)	(9,949)	(25,575)	(105,368)	(32,831)	(233,880)	(11,511)	**(245,391)**	
Foreign trade loans Chilean exports	1,028,341	238	15,651	6,752	-	**1,050,982**	(12,912)	(7)	(2,419)	(5,439)	-	(20,777)	-	**(20,777)**	
Foreign trade loans Chilean imports	386,868	1,257	2,833	3,975	85	**395,018**	(12,916)	(35)	(209)	(2,781)	(48)	(15,989)	-	**(15,989)**	
Foreign trade loans between third countries	289	-	-	-	-	**289**	(12)	-	-	-	-	(12)	-	**(12)**	
Debtors in checking accounts	36,409	11,980	3,694	3,662	3,574	**59,319**	(635)	(368)	(675)	(2,123)	(1,997)	(5,798)	-	**(5,798)**	
Credit card debtors	6,170	6,400	1,039	27	93	**13,729**	(267)	(252)	(183)	(13)	(46)	(761)	-	**(761)**	
Factoring operations	290,505	406	29,210	3,632	136	**323,889**	(4,181)	(14)	(646)	(1,214)	(48)	(6,103)	-	**(6,103)**	
Commercial financial leasing operations	757,705	28,570	37,906	14,858	1,854	**840,893**	(3,501)	(709)	(1,476)	(3,681)	(508)	(9,875)	(246)	**(10,121)**	
Student loans	-	533,833	-	-	104,960	**638,793**	-	(8,017)	-	-	(12,943)	(20,960)	-	**(20,960)**	
Other loans and accounts receivable	329	230	18	4,034	32	**4,643**	(18)	(11)	-	(2,635)	(16)	(2,680)	-	**(2,680)**	
Subtotal	**10,846,372**	**1,740,838**	**876,217**	**349,130**	**254,810**	**14,067,367**	**(94,599)**	**(19,362)**	**(31,183)**	**(123,254)**	**(48,437)**	**(316,835)**	**(11,757)**	**(328,592)**	**13,738,775**
Mortgage Loans:															
Loans with letters of credit	-	66,066	-	-	8,221	**74,287**	-	(109)	-	-	(167)	(276)	-	**(276)**	
Loans with endorsable mortgage mutuals	-	31,132	-	-	2,503	**33,635**	-	(12)	-	-	(15)	(27)	-	**(27)**	
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	**-**	-	-	-	-	-	-	-	**-**	
Other loans with mutual funds for housing	-	13,282,349	-	-	388,033	**13,670,382**	-	(26,655)	-	-	(17,538)	(44,193)	-	**(44,193)**	
Financial leasing operations for housing	-	32,269	-	-	2,803	**35,072**	-	(199)	-	-	(366)	(565)	-	**(565)**	
Other loans and accounts receivable	-	73,614	-	-	4,722	**78,336**	-	(152)	-	-	(156)	(308)	-	**(308)**	
Subtotal	**-**	**13,485,430**	**-**	**-**	**406,282**	**13,891,712**	**-**	**(27,127)**	**-**	**-**	**(18,242)**	**(45,369)**	**-**	**(45,369)**	**13,846,343**
Consumer Loans															
Consumer loans in installments	-	1,462,079	-	-	154,933	**1,617,012**	-	(48,747)	-	-	(63,561)	(112,308)	-	**(112,308)**	
Checking accounts debtors	-	70,057	-	-	7,393	**77,450**	-	(1,438)	-	-	(2,783)	(4,221)	-	**(4,221)**	
Credit card debtors	-	2,192,441	-	-	260,014	**2,452,455**	-	(107,255)	-	-	(108,770)	(216,025)	-	**(216,025)**	
Consumer financial leasing operations	-	-	-	-	-	**-**	-	-	-	-	-	-	-	**-**	
Other loans and accounts receivable	-	325	-	-	9	**334**	-	(7)	-	-	(1)	(8)	-	**(8)**	
Subtotal	**-**	**3,724,902**	**-**	**-**	**422,349**	**4,147,251**	**-**	**(157,447)**	**-**	**-**	**(175,115)**	**(332,562)**	**-**	**(332,562)**	**3,814,689**
Total	**10,846,372**	**18,951,170**	**876,217**	**349,130**	**1,083,441**	**32,106,330**	**(94,599)**	**(203,936)**	**(31,183)**	**(123,254)**	**(241,794)**	**(694,766)**	**(11,757)**	**(706,523)**	**31,399,807**

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

iii) Contingent loans

Exposure to credit risk for contingent loans	Exposure for contingent loans before allowances						Allowances constituted						Net exposure for credit risk of contingent loans
	Regular portfolio		Substandard portfolio	Default portfolio		Total	Regular portfolio		Substandard portfolio	Default portfolio		Total	
As at December 31, 2023	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation			
(in MCh$)	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group		
Guarantees and Sureties	524,805	-	4,146	-	-	**528,951**	(2,125)	-	(947)	-	-	**(3,072)**	**525,879**
Letters of credit for merchandise circulation operations	28,757	-	-	-	-	**28,757**	(424)	-	-	-	-	**(424)**	**28,333**
Debt purchase commitments in local currency abroad	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Transactions related to contingent events	305,903	197	19,762	1,211	-	**327,073**	(2,988)	(3)	(4,546)	(815)	-	**(8,352)**	**318,721**
Lines of credit of free disposal of immediate cancellation	71,453	552,503	632	249	25,548	**650,385**	(553)	(6,038)	(97)	(157)	(8,030)	**(14,875)**	**635,510**
Lines of credit of free disposal	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Loans for senior studies Law No. 20027 (CAE)	-	2,464	-	-	-	**2,464**	-	(38)	-	-	-	**(38)**	**2,426**
Other irrevocable loan commitments	74,585	-	-	-	-	**74,585**	(446)	-	-	-	-	**(446)**	**74,139**
Other contingent loans	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Subtotal	**1,005,503**	**555,164**	**24,540**	**1,460**	**25,548**	**1,612,215**	**(6,536)**	**(6,079)**	**(5,590)**	**(972)**	**(8,030)**	**(27,207)**	**1,585,008**

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

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

i) Loans and advances to banks

Summary of movement in allowances constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in provisions constituted by category in the period			
	Individual evaluation			
	Regular portfolio	Substandard portfolio	Default portfolio	Total
Owed by Banks				
Balance as at January 1, 2023	**7**	**-**	**-**	**7**
Constitution / (release) of allowances for:				
Change in measurement without portfolio reclassification during the period	(13)	-	-	**(13)**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2023 to 12/31/2023:				
Regular individual up to Substandard	-	-	-	**-**
Regular individual up to Individual default	-	-	-	**-**
Substandard up to individual default	-	-	-	**-**
Substandard up to regular individual	-	-	-	**-**
Individual default up to substandard	-	-	-	**-**
Individual default up to individual regular	-	-	-	**-**
New originated loans	73	-	-	**73**
New loans for conversion from contingent to loan	-	-	-	**-**
New loans purchased	-	-	-	**-**
Sale or transfers of loans	-	-	-	**-**
Payment of loans	(52)	-	-	**(52)**
Application of provisions due to write-offs	-	-	-	**-**
Recovery of written-off loans	-	-	-	**-**
Exchange differences	-	-	-	**-**
Other changes in provisions	-	-	-	**-**
Balance as at December 31, 2023	**15**	**-**	**-**	**15**

Summary of movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh$)	Movement in provisions constituted by category in the period			
	Individual evaluation			
	Regular portfolio	Substandard portfolio	Default portfolio	Total
Owed by Banks				
Balance as at January 1, 2022	**2**	**-**	**-**	**2**
Constitution / (release) of allowances for:				
Change in measurement without portfolio reclassification during the period	(6)	-	-	**(6)**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2022 to 12/31/2022:				
Regular individual up to Substandard	-	-	-	**-**
Regular individual up to Individual default	-	-	-	**-**
Substandard up to individual default	-	-	-	**-**
Substandard up to regular individual	-	-	-	**-**
Individual default up to substandard	-	-	-	**-**
Individual default up to individual regular	-	-	-	**-**
New originated loans	21	-	-	**21**
New loans for conversion from contingent to loan	-	-	-	**-**
New loans purchased	-	-	-	**-**
Sale or transfers of loans	(9)	-	-	**(9)**
Payment of loans	-	-	-	**-**
Application of provisions due to write-offs	-	-	-	**-**
Recovery of written-off loans	(1)	-	-	**(1)**
Exchange differences	-	-	-	**-**
Other changes in provisions	-	-	-	**-**
Balance as at December 31, 2022	**7**	**-**	**-**	**7**

ii) Commercial loans

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in allowances constituted by portfolio in the period							
	Regular portfolio – Evaluation		Substandard portfolio	Default portfolio – Evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Individual	Group		Individual	Group			
Commercial loans								
Balance as at January 1, 2023	**88,279**	**24,775**	**32,388**	**104,225**	**38,548**	**288,215**	**16,557**	**304,772**
Constitution / (release) of provisions for:								
Change in measurement without portfolio reclassification during the period	22,855	12,062	14,012	26,867	21,863	97,659	(1,240)	**96,419**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2023 to 12/31/2023:								
Regular individual up to substandard	(9,385)	-	22,772	-	-	13,387	-	**13,387**
Regular individual up to individual default	(117)	-	-	2,439	-	2,322	-	**2,322**
Substandard up to individual default	-	-	(15,270)	37,882	-	22,612	-	**22,612**
Substandard up to regular individual	4,904	-	(7,483)	-	-	(2,579)	-	**(2,579)**
Individual default up to Substandard	-	-	645	(3,635)	-	(2,990)	-	**(2,990)**
Individual default up to Regular individual	-	-	-	-	-	-	-	**-**
Regular group up to default group	-	(14,522)	-	-	33,762	19,240	-	**19,240**
Group default up to group regular	-	723	-	-	(9,280)	(8,557)	-	**(8,557)**
Individual (regular, substandard, default) up to group (regular, default)	(335)	278	(271)	(299)	345	(282)	-	**(282)**
Group (regular, default) up to Individual (regular, substandard ,default)	1,620	(980)	251	794	(472)	1,213	(58)	**1,155**
New originated loans	104,514	5,729	16,919	21,764	5,706	154,632	44	**154,676**
New loans for conversion from contingent to loan	2,641	1,245	576	128	384	4,974	-	**4,974**
New loans purchased	-	-	-	-	-	-	-	**-**
Sale or transfers of loans	-	(1,231)	-	-	(50)	(1,281)	-	**(1,281)**
Payment of loans	(122,097)	(8,706)	(33,521)	(26,287)	(11,173)	(201,784)	(3,546)	**(205,330)**
Application of provisions due to write-offs	-	(29)	-	(40,910)	(31,192)	(72,131)	-	**(72,131)**
Recovery of written-off loans	-	14	-	-	3	17	-	**17**
Changes in models and methodologies	-	-	-	-	-	-	-	**-**
Exchange differences	1,720	4	165	286	(7)	2,168	-	**2,168**
Other changes in provisions	-	-	-	-	-	-	-	**-**
Balance as at December 31, 2023	**94,599**	**19,362**	**31,183**	**123,254**	**48,437**	**316,835**	**11,757**	**328,592**

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh$)	Movement in allowances constituted by portfolio in the period							
	Regular portfolio – Evaluation		Substandard portfolio	Default portfolio – Evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Individual	Group		Individual	Group			
Commercial loans								
Balance as at January 1, 2022	**86,464**	**21,149**	**23,066**	**66,836**	**34,499**	**232,014**	**17,727**	**249,741**
Constitution / (release) of provisions for:								
Change in measurement without portfolio reclassification during the period	(65,932)	16,366	(3,290)	(40,194)	25,471	(67,579)	(195)	**(67,774)**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2022 to 12/31/2022:								
Regular individual up to substandard	(5,683)	-	14,932	-	-	9,249	1	**9,250**
Regular individual up to individual default	(273)	-	-	2,740	-	2,467	-	**2,467**
Substandard up to individual default	-	-	(14,065)	47,281	-	33,216	-	**33,216**
Substandard up to regular individual	979	-	(1,567)	-	-	(588)	-	**(588)**
Individual default up to Substandard	-	-	69	(3)	-	66	-	**66**
Individual default up to Regular individual	-	-	-	-	-	-	-	**-**
Regular group up to default group	-	(11,371)	-	-	24,090	12,719	(1)	**12,718**
Group default up to group regular	-	619	-	-	(6,356)	(5,737)	-	**(5,737)**
Individual (regular, substandard, default) up to group (regular, default)	(98)	22	(34)	(62)	-	(172)	-	**(172)**
Group (regular, default) up to Individual (regular, substandard ,default)	2,906	(1,007)	401	525	(505)	2,320	-	**2,320**
New originated loans	192,572	7,623	30,887	64,410	3,146	298,638	174	**298,812**
New loans for conversion from contingent to loan	1,900	1,334	287	48	282	3,851	-	**3,851**
New loans purchased	-	-	-	-	-	-	-	**-**
Sale or transfers of loans	-	(1,723)	-	-	(5)	(1,728)	-	**(1,728)**
Payment of loans	(122,673)	(8,217)	(18,390)	(15,810)	(7,219)	(172,309)	(546)	**(172,855)**
Application of provisions due to write-offs	-	(51)	-	(19,290)	(34,856)	(54,197)	(603)	**(54,800)**
Recovery of written-off loans	-	29	-	-	1	30	-	**30**
Changes in models and methodologies	-	-	-	-	-	-	-	**-**
Exchange differences	(1,883)	2	92	(2,256)	-	(4,045)	-	**(4,045)**
Other changes in provisions	-	-	-	-	-	-	-	**-**
Balance as at December 31, 2022	**88,279**	**24,775**	**32,388**	**104,225**	**38,548**	**288,215**	**16,557**	**304,772**

iii) Mortgage loans

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in provisions constituted by portfolio in the period Group Evaluation Regular portfolio	Default portfolio	Total
Mortgage loans			
Balance as at January 1, 2023	**27,489**	**12,161**	**39,650**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	11,885	3,675	**15,560**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2023 to 12/31/2023:			
Group regular up to group default	(11,307)	14,814	**3,507**
Group default up to group regular	250	(2,521)	**(2,271)**
New originated loans	1,333	28	**1,361**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(2,517)	(2,008)	**(4,525)**
Application of provisions due to write-offs	(6)	(7,907)	**(7,913)**
Recovery of written-off loans	-	-	**-**
Changes in models and methodologies	-	-	**-**
Exchange differences	-	-	**-**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2023	**27,127**	**18,242**	**45,369**

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2022 (in MCh$)	Movement in provisions constituted by portfolio in the period Group Evaluation Regular portfolio	Default portfolio	Total
Mortgage loans			
Balance as at January 1, 2022	**23,266**	**12,333**	**35,599**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	9,835	2,739	**12,574**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2022 to 12/31/2022:			
Group regular up to group default	(6,311)	7,911	**1,600**
Group default up to group regular	175	(1,734)	**(1,559)**
New originated loans	2,660	101	**2,761**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(2,104)	(1,831)	**(3,935)**
Application of provisions due to write-offs	(36)	(7,358)	**(7,394)**
Recovery of written-off loans	4	-	**4**
Changes in models and methodologies	-	-	**-**
Exchange differences	-	-	**-**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2022	**27,489**	**12,161**	**39,650**

iv) Consumer loans

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in provisions constituted by portfolio in the period Group evaluation Regular portfolio	Default portfolio	Total
Consumer loans			
Balance as at January 1, 2023	**146,883**	**105,227**	**252,110**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	80,065	229,980	**310,045**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2023 to 12/31/2023:			
Group regular up to group default	(61,360)	168,485	**107,125**
Group default up to group regular	8,642	(27,428)	**(18,786)**
New originated loans	24,039	41,979	**66,018**
New loans for conversion from contingent to loan	62,100	9,336	**71,436**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(104,231)	(48,058)	**(152,289)**
Application of provisions due to write-offs	(292)	(304,408)	**(304,700)**
Recovery of written-off loans	1,590	-	**1,590**
Changes in models and methodologies	-	-	**-**
Exchange differences	11	2	**13**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2023	**157,447**	**175,115**	**332,562**

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh$)	Movement in provisions constituted by portfolio in the period Group evaluation Regular portfolio	Default portfolio	Total
Consumer loans			
Balance as at January 1, 2022	**100,590**	**59,225**	**159,815**
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	68,361	131,108	**199,469**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2022 to 12/31/2022:			
Group regular up to group default	(36,224)	94,368	**58,144**
Group default up to group regular	4,394	(14,959)	**(10,565)**
New originated loans	29,159	27,044	**56,203**
New loans for conversion from contingent to loan	73,604	7,011	**80,615**
New loans purchased	-	-	**-**
Sale or transfers of loans	-	-	**-**
Payment of loans	(93,355)	(31,359)	**(124,714)**
Application of provisions due to write-offs	(130)	(167,245)	**(167,375)**
Recovery of written-off loans	483	33	**516**
Changes in models and methodologies	-	-	**-**
Exchange differences	1	1	**2**
Other changes in provisions	-	-	**-**
Balance as at December 31, 2022	**146,883**	**105,227**	**252,110**

v) Contingent loans

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2023 (in MCh$)	Movement in allowances constituted by portfolio in the period: Regular portfolio Evaluation – Individual	Regular portfolio Evaluation – Group	Substandard portfolio	Default portfolio Evaluation – Individual	Default portfolio Evaluation – Group	Total
Exposure by contingent loans						
Balance as at January 1, 2023	**5,720**	**6,094**	**2,706**	**3,903**	**7,072**	**25,495**
Constitution/(release) of provisions due to:						
Change in measurement without portfolio reclassification during the period	(3,847)	25,818	(11,833)	(4,535)	(1,464)	**4,139**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2023 to 12/31/2023:	-	-	-	-	-	
Regular individual up to substandard	(491)	-	1,012	-	-	**521**
Regular individual up to individual default	(5)	-	-	412	-	**407**
Substandard up to individual default	-	-	(82)	844	-	**762**
Substandard up to regular individual	55	-	(81)	-	-	**(26)**
Individual default up to Substandard	-	-	421	(87)	-	**334**
Individual default up to individual regular	-	-	-	-	-	**-**
Group regular up to group default	-	(884)	-	-	17,318	**16,434**
Group default up to group regular	-	183	-	-	(5,282)	**(5,099)**
Individual (regular, substandard, default) up to group (regular, default)	(12)	6	(4)	-	1	**(9)**
Group (regular, default) up to Individual (regular, substandard, default)	109	(41)	8	5	-	**81**
New contingent loans granted	7,667	2,075	13,895	515	105	**24,257**
Contingent loans due to conversion to loans	(2,715)	(27,172)	(493)	(89)	(9,720)	**(40,189)**
Changes in models and methodologies	-	-	-	-	-	**-**
Exchange differences	55	-	41	4	-	**100**
Other changes in provisions	-	-	-	-	-	**-**
Balance as at December 31, 2023	**6,536**	**6,079**	**5,590**	**972**	**8,030**	**27,207**

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh$)	Movement in allowances constituted by portfolio in the period: Regular portfolio Evaluation – Individual	Regular portfolio Evaluation – Group	Substandard portfolio	Default portfolio Evaluation – Individual	Default portfolio Evaluation – Group	Total
Exposure by contingent loans						
Balance as at January 1, 2022	**7,113**	**17,124**	**248**	**1,744**	**4,767**	**30,996**
Constitution/(release) of provisions due to:						
Change in measurement without portfolio reclassification during the period	(8,378)	20,347	(2,276)	(4,443)	1,657	**6,907**
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 01/01/2022 to 12/31/2022:						
Regular individual up to substandard	(970)	-	1,687	-	-	**717**
Regular individual up to individual default	(2)	-	-	38	-	**36**
Substandard up to individual default	-	-	(419)	1,910	-	**1,491**
Substandard up to regular individual	14	-	(21)	-	-	**(7)**
Individual default up to Substandard	-	-	-	-	-	**-**
Individual default up to individual regular	-	-	-	-	-	**-**
Group regular up to group default	-	(805)	-	-	10,554	**9,749**
Group default up to group regular	-	158	-	-	(3,934)	**(3,776)**
Individual (regular, substandard, default) up to group (regular , default)	(2)	-	-	-	-	**(2)**
Group (regular ,default) up to Individual (regular, substandard, default)	95	(42)	4	-	(7)	**50**
New contingent loans granted	10,119	3,009	3,756	4,696	1,328	**22,908**
Contingent loans due to conversion to loans	(2,112)	(33,697)	(267)	(40)	(7,293)	**(43,409)**
Changes in models and methodologies	-	-	-	-	-	**-**
Exchange differences	(157)	-	(6)	(2)	-	**(165)**
Other changes in provisions	-	-	-	-	-	**-**
Balance as at December 31, 2022	**5,720**	**6,094**	**2,706**	**3,903**	**7,072**	**25,495**

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

Composition of economic activity As at December 31, 2023 (in MCh$)	Loans and exposure to contingent loans Loans within Country	Abroad	Total	Allowances constituted Loans within Country	Abroad	Sub-Total	Deductible guarantees FOGAPE Covid 19	Total
Owed by banks	-	25,238	**25,238**	-	(15)	**(15)**	**-**	**(15)**
Commercial loans								
Agriculture and Livestock	394,887	-	**394,887**	(14,249)	-	**(14,249)**	(536)	**(14,785)**
Sowing and harvesting of fruits	-	-	**-**	-	-	**-**	-	**-**
Forestry	46,418	-	**46,418**	(1,608)	-	**(1,608)**	(172)	**(1,780)**
Fishing	67,624	-	**67,624**	(1,776)	-	**(1,776)**	(97)	**(1,873)**
Mining	333,953	-	**333,953**	(1,468)	-	**(1,468)**	(135)	**(1,603)**
Oil and natural gas	743	-	**743**	(4)	-	**(4)**	-	**(4)**
Product Manufacturing Industry								
Food, beverages and tobacco	524,023	-	**524,023**	(12,961)	-	**(12,961)**	(513)	**(13,474)**
Textile, leather and footwear	19,866	-	**19,866**	(1,553)	-	**(1,553)**	(136)	**(1,689)**
Wood and furniture	60,971	-	**60,971**	(1,859)	-	**(1,859)**	(184)	**(2,043)**
Cellulose, paper and printing	67,499	-	**67,499**	(4,215)	-	**(4,215)**	(153)	**(4,368)**
Chemicals and petroleum derivatives	289,810	-	**289,810**	(3,898)	-	**(3,898)**	(509)	**(4,407)**
Metallic, non-metallic, machinery and others	741,687	-	**741,687**	(18,292)	-	**(18,292)**	(1,024)	**(19,316)**
Electricity, gas and water	1,382,505	-	**1,382,505**	(4,076)	-	**(4,076)**	(33)	**(4,109)**
Home building	346,875	-	**346,875**	(5,940)	-	**(5,940)**	(295)	**(6,235)**
Non-residential constructions (office, civil works)	221,437	-	**221,437**	(7,618)	-	**(7,618)**	(448)	**(8,066)**
Wholesale trade	1,040,765	103,174	**1,143,939**	(61,330)	(122)	**(61,452)**	(2,820)	**(64,272)**
Retail trade restaurants and hotels	412,498	-	**412,498**	(23,383)	-	**(23,383)**	(1,726)	**(25,109)**
Transport and storage	607,207	44,733	**651,940**	(11,614)	(37)	**(11,651)**	(957)	**(12,608)**
Telecommunications	643,127	-	**643,127**	(5,294)	-	**(5,294)**	(57)	**(5,351)**
Financial Services	1,270,825	21,109	**1,291,934**	(21,101)	(17)	**(21,118)**	(121)	**(21,239)**
Business services	-	-	**-**	-	-	**-**	-	**-**
Real estate services	3,009,124	106,598	**3,115,722**	(52,061)	(95)	**(52,156)**	(1,142)	**(53,298)**
Student loans	638,793	-	**638,793**	(20,960)	-	**(20,960)**	-	**(20,960)**
Public administration, defense and police	17,130	-	**17,130**	(14)	-	**(14)**	-	**(14)**
Social services and other community services	687,432	-	**687,432**	(13,088)	-	**(13,088)**	(694)	**(13,782)**
Personnel services	966,554	-	**966,554**	(28,202)	-	**(28,202)**	(5)	**(28,207)**
Subtotal	**13,791,753**	**275,614**	**14,067,367**	**(316,564)**	**(271)**	**(316,835)**	**(11,757)**	**(328,592)**
Mortgage loans	13,891,712	-	**13,891,712**	(45,369)	-	**(45,369)**	-	**(45,369)**
Consumer loans	4,147,251	-	**4,147,251**	(332,562)	-	**(332,562)**	-	**(332,562)**
Contingent loans exposure	1,612,215	-	**1,612,215**	(27,207)	-	**(27,207)**	-	**(27,207)**

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

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

As at December 31, 2023	Mortgage loans (MCh$) Days in arrears at the end of the period						Allowances constituted for Mortgage loans (MCh$) Days in arrears at the end of the period					
Loan Tranche / Guarantee (%)	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
PVG <= 40%	1,118,062	44,998	24,480	13,358	22,636	**1,223,534**	(91)	(37)	(47)	(47)	(377)	**(599)**
40% < PVG <= 80%	9,819,757	308,166	129,082	67,896	140,403	**10,465,304**	(6,432)	(3,291)	(2,505)	(1,756)	(4,270)	**(18,254)**
80% < PVG <= 90%	1,984,289	51,229	18,433	10,408	20,736	**2,085,095**	(11,603)	(3,689)	(2,404)	(1,897)	(4,610)	**(24,203)**
PVG >90%	111,180	2,794	268	775	2,762	**117,779**	(969)	(272)	(47)	(190)	(835)	**(2,313)**
Total	**13,033,288**	**407,187**	**172,263**	**92,437**	**186,537**	**13,891,712**	**(19,095)**	**(7,289)**	**(5,003)**	**(3,890)**	**(10,092)**	**(45,369)**

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

SCOTIABANK CHILE AND SUBSIDIARIES

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

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

Concentration of debt owed by banks and commercial loans with their provisions established by classification category As at December 31, 2023 (in MCh$)	Owed by banks and Commercial Loans – Regular portfolio A1	A2	A3	A4	A5	A6	Subtotal	Individual Substandard portfolio B1	B2	B3	B4	Subtotal	Default portfolio C1	C2	C3	C4	C5	C6	Subtotal	Total	Group Regular portfolio	Group Default portfolio	Total	Total	Provision deductible guarantees FOGAPE Covid-19
Owed by banks																									
Liquidity interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans - Chilean exports	12,354	12,884	-	-	-	-	**25,238**	-	-	-	-	-	-	-	-	-	-	-	-	**25,238**	-	-	-	**25,238**	
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits in checking accounts in foreign banks for derivative operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	**12,354**	**12,884**	**-**	**-**	**-**	**-**	**25,238**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,238**	**-**	**-**	**-**	**25,238**	
Provisions constituted	**4**	**11**	**-**	**-**	**-**	**-**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15**	**-**	**-**	**-**	**15**	
% provisions constituted	**0.03%**	**0.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	
Commercial loans																									
Commercial loans	73,434	2,517,757	1,486,926	2,324,797	968,176	968,666	**8,339,756**	298,377	203,642	208,603	75,244	**785,866**	121,169	35,861	21,119	17,868	70,493	45,680	**312,190**	**9,437,812**	1,157,924	144,076	**1,302,000**	**10,739,812**	**11,511**
Foreign trade loans - Chilean exports	-	414,466	178,528	209,573	180,564	45,210	**1,028,341**	11,578	427	3,646	-	**15,651**	-	485	-	-	999	5,268	**6,752**	**1,050,744**	238	-	**238**	**1,050,982**	**-**
Foreign trade loans - Chilean imports	-	4,365	59,096	147,048	103,853	72,506	**386,868**	2,473	158	101	101	**2,833**	-	90	-	-	2,899	986	**3,975**	**393,676**	1,257	85	**1,342**	**395,018**	**-**
Foreign trade loans between third countries	-	-	-	199	-	90	**289**	-	-	-	-	**-**	-	-	-	-	-	-	**-**	**289**	-	-	**-**	**289**	**-**
Debtors in checking accounts	-	11,742	3,220	5,421	6,968	9,058	**36,409**	1,931	772	777	214	**3,694**	459	410	80	283	989	1,441	**3,662**	**43,765**	11,980	3,574	**15,554**	**59,319**	**-**
Credit card debtors	8	558	885	616	1,083	3,020	**6,170**	573	256	158	52	**1,039**	-	2	4	11	9	1	**27**	**7,236**	6,400	93	**6,493**	**13,729**	**-**
Factoring operations	628	34,679	19,817	117,092	83,484	34,805	**290,505**	26,120	3,090	-	-	**29,210**	2,131	-	-	-	721	780	**3,632**	**323,347**	406	136	**542**	**323,889**	**-**
Commercial financial leasing operations	-	55,039	140,392	328,084	169,212	64,978	**757,705**	14,450	12,945	6,116	4,395	**37,906**	3,383	6,507	1,263	1,095	560	2,050	**14,858**	**810,469**	28,570	1,854	**30,424**	**840,893**	**246**
Student loans	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	-	-	**-**	**-**	533,833	104,960	**638,793**	**638,793**	**-**
Other loans and accounts receivable	-	63	23	32	12	199	**329**	-	-	18	-	**18**	-	-	1,291	-	627	2,116	**4,034**	**4,381**	230	32	**262**	**4,643**	**-**
Subtotal	**74,070**	**3,038,669**	**1,888,887**	**3,132,862**	**1,513,352**	**1,198,532**	**10,846,372**	**355,502**	**221,290**	**219,419**	**80,006**	**876,217**	**127,142**	**43,355**	**23,757**	**19,257**	**77,297**	**58,322**	**349,130**	**12,071,719**	**1,740,838**	**254,810**	**1,995,648**	**14,067,367**	
Provisions constituted	**27**	**3,623**	**2,998**	**28,842**	**29,691**	**29,418**	**94,599**	**7,323**	**6,883**	**10,157**	**6,820**	**31,183**	**2,543**	**4,335**	**5,939**	**7,703**	**50,242**	**52,492**	**123,254**	**249,036**	**19,362**	**48,437**	**67,799**	**316,835**	**11,757**
% provisions constituted	**0.04%**	**0.12%**	**0.16%**	**0.92%**	**1.96%**	**2.45%**	**0.87%**	**2.06%**	**3.11%**	**4.63%**	**8.52%**	**3.56%**	**2.00%**	**10.00%**	**25.00%**	**40.00%**	**65.00%**	**90.00%**	**35.30%**	**2.06%**	**1.11%**	**19.01%**	**3.40%**	**2.25%**	

Concentration of debt owed by banks and commercial loans with their provisions established by classification category As at December 31, 2022 (in MCh$)	Owed by banks and Commercial Loans – Regular portfolio A1	A2	A3	A4	A5	A6	Subtotal	Individual Substandard portfolio B1	B2	B3	B4	Subtotal	Default portfolio C1	C2	C3	C4	C5	C6	Subtotal	Total	Group Regular portfolio	Group Default portfolio	Total	Total	Provision deductible guarantees FOGAPE Covid-19
Owed by banks																									
Liquidity interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans - Chilean exports	160	7,893	125	-	-	-	**8,178**	-	-	-	-	-	-	-	-	-	-	-	-	**8,178**	-	-	-	**8,178**	
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits in checking accounts in foreign banks for derivative operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans with banks	58,659	-	-	-	-	-	**58,659**	-	-	-	-	-	-	-	-	-	-	-	-	**58,659**	-	-	-	**58,659**	
Subtotal	**58,819**	**7,893**	**125**	**-**	**-**	**-**	**66,837**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**66,837**	**-**	**-**	**-**	**66,837**	
Provisions constituted	**-**	**7**	**-**	**-**	**-**	**-**	**7**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**-**	**-**	**-**	**7**	
% provisions constituted	**0.00%**	**0.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**	
Commercial loans																									
Commercial loans	109,350	3,812,048	1,793,611	3,071,917	1,014,780	670,209	**10,471,915**	211,892	80,229	57,661	46,924	**396,706**	65,008	11,490	9,597	16,181	55,476	41,890	**199,642**	**11,068,263**	1,221,484	103,326	**1,324,810**	**12,393,073**	**16,249**
Foreign trade loans - Chilean exports	-	406,536	159,792	261,113	98,685	29,210	**955,336**	1,195	87	-	-	**1,282**	-	-	-	-	6,607	7,549	**14,156**	**970,774**	172	-	**172**	**970,946**	**-**
Foreign trade loans - Chilean imports	-	6,559	117,831	239,772	89,334	32,898	**486,394**	5,530	299	85	-	**5,914**	-	-	-	-	495	1,113	**1,608**	**493,916**	1,703	151	**1,854**	**495,770**	**-**
Foreign trade loans between third countries	-	-	-	738	-	433	**1,171**	-	-	-	-	**-**	-	-	-	-	-	-	**-**	**1,171**	-	-	**-**	**1,171**	**-**
Debtors in checking accounts	-	10,944	7,217	11,196	4,024	11,060	**44,441**	1,425	370	254	145	**2,194**	358	51	37	155	422	1,351	**2,374**	**49,009**	11,798	2,140	**13,938**	**62,947**	**-**
Credit card debtors	9	639	829	542	694	2,158	**4,871**	440	235	98	24	**797**	4	-	2	17	15	5	**43**	**5,711**	6,239	88	**6,327**	**12,038**	**-**
Factoring operations	6,520	5,848	30,338	154,733	33,742	14,403	**245,584**	307	-	14	-	**321**	56	164	349	-	147	597	**1,313**	**247,218**	714	145	**859**	**248,077**	**-**
Commercial financial leasing operations	-	56,550	151,174	332,752	158,638	64,272	**763,386**	16,462	4,718	1,528	2,281	**24,989**	3,116	6,498	1,656	3,225	2,199	83	**16,777**	**805,152**	33,185	1,817	**35,002**	**840,154**	**308**
Student loans	-	-	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	-	-	**-**	**-**	607,145	93,250	**700,395**	**700,395**	**-**
Other loans and accounts receivable	22	108	51	41	10	100	**332**	22	-	-	-	**22**	-	5	-	-	610	90	**705**	**1,059**	290	27	**317**	**1,376**	**-**
Subtotal	**115,901**	**4,299,232**	**2,260,843**	**4,072,804**	**1,399,907**	**824,743**	**12,973,430**	**237,273**	**85,938**	**59,640**	**49,374**	**432,225**	**68,542**	**18,208**	**11,641**	**19,578**	**65,971**	**52,678**	**236,618**	**13,642,273**	**1,882,730**	**200,944**	**2,083,674**	**15,725,947**	
Provisions constituted	**42**	**4,464**	**3,652**	**35,174**	**23,347**	**21,600**	**88,279**	**13,225**	**9,513**	**7,856**	**1,794**	**32,388**	**1,371**	**1,821**	**2,910**	**7,831**	**42,880**	**47,412**	**104,225**	**224,892**	**24,775**	**38,548**	**63,323**	**288,215**	**16,557**
% provisions constituted	**0.04%**	**0.10%**	**0.16%**	**0.86%**	**1.67%**	**2.62%**	**0.68%**	**5.57%**	**11.07%**	**13.17%**	**3.63%**	**7.49%**	**2.00%**	**10.00%**	**25.00%**	**40.00%**	**65.00%**	**90.00%**	**44.05%**	**1.65%**	**1.32%**	**19.18%**	**3.04%**	**1.83%**	

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

Concentration of credit risk by days past due As at December 31, 2023 (in MCh$)	Financial Assets before provision: Regular portfolio Evaluation Individual	Financial Assets before provision: Regular portfolio Evaluation Group	Financial Assets before provision: Substandard portfolio Evaluation Individual	Financial Assets before provision: Default portfolio Evaluation Individual	Financial Assets before provision: Default portfolio Evaluation Group	Total	Allowances constituted: Regular portfolio Evaluation Individual	Allowances constituted: Regular portfolio Evaluation Group	Allowances constituted: Substandard portfolio Evaluation Individual	Allowances constituted: Default portfolio Evaluation Individual	Allowances constituted: Default portfolio Evaluation Group	Subtotal	Deductible guarantees FOGAPE Covid-19	Total	Net financial asset
Owed by banks															
0 day	25,238	-	-	-	-	**25,238**	(15)	-	-	-	-	**(15)**	-	**(15)**	**25,223**
1 to 29 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
30 to 59 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
60 to 89 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
>= 90 days	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
Subtotal	**25,238**	**-**	**-**	**-**	**-**	**25,238**	**(15)**	**-**	**-**	**-**	**-**	**(15)**	**-**	**(15)**	**25,223**
Commercial loans															
0 day	10,724,642	1,618,990	754,181	82,335	51,626	**13,231,774**	(93,174)	(12,646)	(23,020)	(28,729)	(9,819)	**(167,388)**	(10,669)	**(178,057)**	**13,053,717**
1 to 29 days	120,360	68,811	84,286	28,654	16,231	**318,342**	(1,378)	(2,391)	(5,849)	(10,421)	(3,589)	**(23,628)**	(392)	**(24,020)**	**294,322**
30 to 59 days	1,313	35,312	23,428	17,420	14,370	**91,843**	(45)	(2,659)	(1,403)	(4,120)	(3,138)	**(11,365)**	(116)	**(11,481)**	**80,362**
60 to 89 days	57	17,725	14,210	4,641	11,706	**48,339**	(2)	(1,666)	(895)	(1,757)	(2,603)	**(6,923)**	(90)	**(7,013)**	**41,326**
>= 90 days	-	-	112	216,080	160,877	**377,069**	-	-	(16)	(78,227)	(29,288)	**(107,531)**	(490)	**(108,021)**	**269,048**
Subtotal	**10,846,372**	**1,740,838**	**876,217**	**349,130**	**254,810**	**14,067,367**	**(94,599)**	**(19,362)**	**(31,183)**	**(123,254)**	**(48,437)**	**(316,835)**	**(11,757)**	**(328,592)**	**13,738,775**
Mortgage loans															
0 day	-	12,940,343	-	-	92,945	**13,033,288**	-	(15,805)	-	-	(3,290)	**(19,095)**	-	**(19,095)**	**13,014,193**
1 to 29 days	-	357,137	-	-	50,050	**407,187**	-	(5,206)	-	-	(2,083)	**(7,289)**	-	**(7,289)**	**399,898**
30 to 59 days	-	127,064	-	-	45,199	**172,263**	-	(3,326)	-	-	(1,677)	**(5,003)**	-	**(5,003)**	**167,260**
60 to 89 days	-	60,886	-	-	31,551	**92,437**	-	(2,790)	-	-	(1,100)	**(3,890)**	-	**(3,890)**	**88,547**
>= 90 days	-	-	-	-	186,537	**186,537**	-	-	-	-	(10,092)	**(10,092)**	-	**(10,092)**	**176,445**
Subtotal	**-**	**13,485,430**	**-**	**-**	**406,282**	**13,891,712**	**-**	**(27,127)**	**-**	**-**	**(18,242)**	**(45,369)**	**-**	**(45,369)**	**13,846,343**
Consumer loans															
0 day	-	3,416,340	-	-	156,292	**3,572,632**	-	(103,310)	-	-	(52,632)	**(155,942)**	-	**(155,942)**	**3,416,690**
1 to 29 days	-	200,542	-	-	57,037	**257,579**	-	(30,214)	-	-	(22,051)	**(52,265)**	-	**(52,265)**	**205,314**
30 to 59 days	-	73,396	-	-	45,943	**119,339**	-	(15,387)	-	-	(18,178)	**(33,565)**	-	**(33,565)**	**85,774**
60 to 89 days	-	34,624	-	-	32,097	**66,721**	-	(8,536)	-	-	(16,368)	**(24,904)**	-	**(24,904)**	**41,817**
>= 90 days	-	-	-	-	130,980	**130,980**	-	-	-	-	(65,886)	**(65,886)**	-	**(65,886)**	**65,094**
Subtotal	**-**	**3,724,902**	**-**	**-**	**422,349**	**4,147,251**	**-**	**(157,447)**	**-**	**-**	**(175,115)**	**(332,562)**	**-**	**(332,562)**	**3,814,689**
Total loans	**10,871,610**	**18,951,170**	**876,217**	**349,130**	**1,083,441**	**32,131,568**	**(94,614)**	**(203,936)**	**(31,183)**	**(123,254)**	**(241,794)**	**(694,781)**	**(11,757)**	**(706,538)**	**31,425,030**

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

i) Lease operations

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

	12/31/2023			12/31/2022		
	Account receivable MCh$	Interest and deferred VAT MCh$	Net balance receivable MCh$	Account receivable MCh$	Interest and deferred VAT MCh$	Net balance receivable MCh$
On-demand	1,332	(31)	1,301	1,184	(36)	1,148
Up to one month	35,351	(7,235)	28,116	31,960	(6,518)	25,442
More than one up to three months	67,662	(13,981)	53,681	62,450	(12,804)	49,646
More than three months up to one year	284,338	(60,914)	223,424	266,468	(55,610)	210,858
More than one up to three years	481,922	(110,621)	371,301	479,963	(105,661)	374,302
More than three up to five years	167,776	(42,640)	125,136	178,545	(43,179)	135,366
More than five years	101,847	(28,841)	73,006	114,578	(31,317)	83,261
Total	**1,140,228**	**(264,263)**	**875,965**	**1,135,148**	**(255,125)**	**880,023**

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

As at December 31, 2023, MCh$241,081 corresponds to finance leases on real estate (MCh$250,125 as at December 31, 2022) and MCh$634,884 to finance leases on non-real estate (MCh$629,898 as at December 31, 2022).

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

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

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

The summary of sales performed is as follows:

Concept	12/31/2023 MCh$	12/31/2022 MCh$
Par value	38,571	55,049
Provisions	(1,281)	(1,728)
Net value of provisions	**37,290**	**53,321**
Sale value	47,442	67,317
Sale result (1)	10,152	**13,996**
(Loss) profit in sale (2)	**3,480**	**5,212**
Income received in advance	**6,672**	**8,784**

(1) The gain or loss on the sale is obtained from the sales value less the net value of allowances.
(2) The gain (loss) on sale is included in the 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 Consolidated Statements of Financial Position.

k) Sale of Loans

During the year from January 1 through December 31, 2023, loans of the commercial portfolio were assigned recording a gain of MCh$1,274 and MCh$324 for the sale of loans written off from the retail portfolio (MCh$1,224 as at December 31, 2022), in the caption “Gain or loss on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income”.

During the year from January 1 through December 31, 2023, the subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario S.A., recorded a realized gain from the assignment of portfolio of MCh$70 (MCh$118 as at December 31, 2022), in the caption “Gain or loss on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income”.

l) Securitization

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

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

	12/31/2023 MCh$	12/31/2022 MCh$
Housing loan portfolio	2,934	3,862
Carrying amount of associated liabilities	2,626	3,646

As at December 31, 2023, the subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario S.A. recognizes a liability pending repayment of MCh$2,626 (MCh$3,646 as at December 31, 2022), related to the price obtained or part of the price obtained in 2006, in sales of housing lease contracts portfolio for securitization purposes, but such portfolios have not been derecognized, following the instructions issued by the CMF. Not derecognizing the fully or partially-assigned assets is due to the fact that the subsidiary acquired the securitized subordinated bonds issued by the separate equity constituted with such assets, which implies the retention of significant risks and rewards associated with such assets.

Note 14 Investment in companies.

The detail of investments in companies is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Companies locally controlled	-	-
Companies controlled abroad		
Branches controlled abroad	-	-
Other companies controlled abroad	-	-
Companies with significant influence in the country	24,350	18,744
Companies with significant influence abroad	-	-
Investments in companies as a joint venture in the country	-	-
Investments in companies as a joint venture abroad	-	-
Minority investments in other companies in the country	9,829	7,308
Minority investments in other companies abroad	41	41
Total Investments in companies	**34,220**	**26,093**

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

	Ownership %	Tax ID No	Country	Company´s equity as at 12/31/2023 MCh$	Investment as at 12/31/2023 MCh$	Investment as at 12/31/2022 MCh$
Transbank S.A.	22.69	96.689.310-9	Chile	133,894	24,350	18,744
Total					**24,350**	**18,744**

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

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

	12/31/2023 MCh$	12/31/2022 MCh$
Assets and liabilities		
Current assets	1,362,961	1,272,126
Non-current assets	164,517	132,911
Current liabilities	1,357,443	1,297,169
Non-current liabilities	36,141	1,630
Income statements (summary)		
Net sale	152,861	113,661
Operating results	34,481	1,637
Profit for the year	26,814	21,341
Depreciation and amortization	(62,594)	(42,104)

b) Minority investments in other domestic companies

	Country	Investment as at 12/31/2023 MCh$	Investment as at 12/31/2022 MCh$
Bolsa de Comercio de Santiago (*)	Chile	-	3,206
Sociedad de Infraestructura de Mercado S.A. (*) (**)	Chile	-	-
Holding Bursátil Chilena S.A. (**)	Chile	5,727	-
Bolsa Electrónica de Chile	Chile	310	310
Sociedad Interbancaria de Depósitos de Valores	Chile	204	204
Sociedad Servicios de Infraestructura y de Mercado OTC	Chile	2,291	2,291
Redbanc S.A.	Chile	860	860
Combanc S.A.	Chile	403	403
Bolsa de Valores de Valparaíso S.A.	Chile	11	11
Club de La Unión	Chile	15	15
Caja Compensación Bolsa de Comercio de Santiago	Chile	8	8
Total		**9,829**	**7,308**

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

(**) On November 14, 2023, the subscription and exchange of shares of the Bolsa de Comercio de Santiago and Sociedad de Infraestructuras de Mercado S.A. occurred, whereby 2,000,000 shares were delivered by each of the companies and for such transaction a total of 1,516,436 shares of Holding Bursátil Chilena S.A. were received, where the latter corresponds to the integration of the Chilean, Peruvian and Colombian Stock Exchanges.

c) Minority investments in other companies abroad

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

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

	12/31/2023 MCh$	12/31/2022 MCh$
Carrying amount as at January 1	26,093	19,973
Division of Bolsa de Comercio de Santiago	(2,577)	-
Incorporation of Sociedad de Infraestructura de Mercado S.A.	2,577	-
Subscription and exchange of shares of Bolsa de Comercio de Santiago	(663)	
Subscription and exchange of shares of Sociedad de Infraestructuras de Mercado S.A.	(4,139)	
Subscription of shares Holding Bursátil Chilena S.A.	4,802	
Sale of investments	-	(3)
Participation on results	5,606	6,086
Adjustment to market value	2,521	37
Other	-	-
Total	**34,220**	**26,093**

During the years ended December 31, 2023 and 2022, there have been no movements associated with impairment.

Note 15 Intangible assets

a) The detail of intangible assets is as follows:

Intangible Assets	Years of useful life 2023	Years of useful life 2022	Average remaining amortization 2023	Average remaining amortization 2022	Gross balance 12/31/2023 MCh$	Gross balance 12/31/2022 MCh$	Accumulated amortization and impairment 12/31/2023 MCh$	Accumulated amortization and impairment 12/31/2022 MCh$	Net balance 12/31/2023 MCh$	Net balance 12/31/2022 MCh$
Goodwill for business combinations	-	-	-	-	-	-	-	-	-	-
Other intangibles arising from business combinations (1)										
Exclusivity agreement	14	15	8	9	138,425	138,425	-	-	138,425	138,425
Accumulated amortizations					-	-	(79,979)	(70,751)	(79,979)	(70,751)
Other independently originated intangible assets										
Software or computer programs purchased independently	8	9	4	5	17,292	17,906	-	-	17,292	17,906
Software or computer programs generated internally	8	9	4	5	282,535	234,392	-	-	282,535	234,392
Accumulated amortizations					-	-	(102,848)	(79,572)	(102,848)	(79,572)
Total intangible assets					**438,252**	**390,723**	**(182,827)**	**(150,323)**	**255,425**	**240,400**

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

b) Intangible assets are detailed as follows:

	Computer programs MCh$	Intangible assets, business combinations MCh$	Other MCh$	Total MCh$
Gross balance:				
Balance as at January 1, 2022	201,283	138,425	-	339,708
Acquisitions	51,145	-	-	51,145
Impairment	(130)	-	-	(130)
Gross Total	**252,298**	**138,425**	**-**	**390,723**
Accumulated amortization as at January 1, 2022	(55,777)	(61,522)	-	(117,299)
Amortization for the period	(23,887)	(9,229)	-	(33,116)
Impairment	92	-	-	92
Total amortization	**(79,572)**	**(70,751)**	**-**	**(150,323)**
Balance as at December 31, 2022	**172,726**	**67,674**	-	**240,400**
Gross balance:				
Balance as at January 1, 2023	252,298	138,425	-	390,723
Acquisitions	59,733	-	-	59,733
Reclassifications (1)	38	-	-	38
Assets disposal	(11,880)	-	-	(11,880)
Impairment (2)	(362)	-	-	(362)
Other	-	-	-	-
Gross Total	**299,827**	**138,425**	-	**438,252**
Accumulated amortization as at January 1, 2023	(79,572)	(70,751)	-	(150,323)
Amortization for the period	(30,723)	(9,228)	-	(39,951)
Assets disposal	7,349	-	-	7,349
Impairment (2)	98	-	-	98
Other	-	-	-	-
Total amortization	**(102,848)**	**(79,979)**	-	**(182,827)**
Balance as at December 31, 2023	**196,979**	**58,446**	-	**255,425**

(1) Corresponds mainly to amounts with no individual identification at the beginning. Once the purchase or construction is completed, these amounts are transferred to the definitive asset.

(2) As at December 31, 2023, there were impacts recorded associated with impairment of intangible assets, which correspond to discontinued IT projects/developments of the Bank, amounting to MCh$264.

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

Note 16 Property and equipment

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

Property and equipment	Average useful life		Remaining average depreciation		Gross balance		Accumulated depreciation		Net balance	
	12/31/2023 years	12/31/2022 years	12/31/2023 years	12/31/2022 years	12/31/2023 MCh$	12/31/2022 MCh$	12/31/2023 MCh$	12/31/2022 MCh$	12/31/2023 MCh$	12/31/2022 MCh$
Land and constructions	80	80	35	35	68,358	69,131	(20,085)	(18,600)	48,273	50,531
Equipment	6	6	5	4	135,461	124,735	(103,725)	(94,429)	31,736	30,306
Other	6	6	5	4	18,308	23,331	(13,990)	(13,532)	4,318	9,799
Total					**222,127**	**217,197**	**(137,800)**	**(126,561)**	**84,327**	**90,636**

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

	Buildings and land MCh$	Equipment MCh$	Other MCh$	Total MCh$
Balance as at January 1, 2022	71,718	121,855	21,215	214,788
Purchase of property, plant	-	1,811	8,939	10,750
Asset disposal	(2,230)	(1,977)	(166)	(4,373)
Reclassification of accounts (1)	-	6,387	(6,656)	(269)
Impairment	(357)	(3,341)	(1)	(3,699)
Gross Total	**69,131**	**124,735**	**23,331**	**217,197**
Accumulated depreciation as at January 1, 2022	(17,457)	(88,447)	(12,762)	(118,666)
Depreciation for the period	(1,637)	(10,393)	(838)	(12,868)
Asset disposal	494	1,295	67	1,856
Reclassification of accounts (1)	-	(36)	-	(36)
Impairment	-	3,152	1	3,153
Total depreciation	**(18,600)**	**(94,429)**	**(13,532)**	**(126,561)**
Balance as at December 31, 2022	**50,531**	**30,306**	**9,799**	**90,636**
Balance as at January 1, 2023	69,131	124,735	23,331	217,197
Purchase of property, plant	-	1,264	7,064	8,328
Asset disposal	(773)	(1,108)	(811)	(2,692)
Reclassification of accounts (1)	-	10,570	(11,276)	(706)
Impairment	-	-	-	-
Gross Total	**68,358**	**135,461**	**18,308**	**222,127**
Accumulated amortization as at January 1, 2023	(18,600)	(94,429)	(13,532)	(126,561)
Depreciation for the period	(1,613)	(9,970)	(620)	(12,203)
Asset disposal	128	674	162	964
Reclassification of accounts (1)	-	-	-	-
Impairment	-	-	-	-
Total depreciation	**(20,085)**	**(103,725)**	**(13,990)**	**(137,800)**
Balance as at December 31, 2023	**48,273**	**31,736**	**4,318**	**84,327**

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

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

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

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

Assets for the right-to-use lease assets	Gross balance		Accumulated depreciation		Net balance	
	12/31/2023 MCh$	12/31/2022 MCh$	12/31/2023 MCh$	12/31/2022 MCh$	12/31/2023 MCh$	12/31/2022 MCh$
Building and land	189,843	194,760	(48,726)	(41,616)	141,117	153,144
Leased property improvements	41,055	41,961	(22,603)	(21,023)	18,452	20,938
Total	**230,898**	**236,721**	**(71,329)**	**(62,639)**	**159,569**	**174,082**

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

	Buildings and land MCh$	Leased property improvements MCh$	Total MCh$
Gross balance:			
Balance as at January 1, 2022	192,209	45,294	237,503
Adjustment due to liability remeasurement	19,365	-	19,365
Additions	140	60	200
Increase due to contract modification	1,209	-	1,209
Decrease due to contract modification	(1,247)	-	(1,247)
Reclassifications (1)	-	269	269
Withdrawals / Derecognition	(16,916)	(3,662)	(20,578)
Gross Total	**194,760**	**41,961**	**236,721**
Accumulated depreciation as at January 1, 2022	(34,539)	(21,292)	(55,831)
Impairment	-	-	-
Depreciation for the period	(11,990)	(2,609)	(14,599)
Decrease due to contract modification	299	-	299
Reclassifications	-	36	36
Withdrawals / derecognition	4,614	2,842	7,456
Total depreciation	**(41,616)**	**(21,023)**	**(62,639)**
Balance as at December 31, 2022	**153,144**	**20,938**	**174,082**
Balance as at January 1, 2023	194,760	41,961	236,721
Adjustment due to liability remeasurement	6,943	-	6,943
Additions	1,186	4	1,190
Increase due to contract modification	1,674	-	1,674
Decrease due to contract modification	(2,500)	-	(2,500)
Contract modification - subsidiaries	-	668	668
Reclassifications (1)	(767)	-	(767)
Withdrawals / Derecognition	(11,453)	(1,578)	(13,031)
Gross Total	**189,843**	**41,055**	**230,898**
Accumulated amortization as at January 1, 2023	(41,616)	(21,023)	(62,639)
Impairment	-	-	-
Depreciation for the period	(12,342)	(2,418)	(14,760)
Decrease due to contract modification	714	-	714
Withdrawals / derecognition	4,518	838	5,356
Total depreciation	**(48,726)**	**(22,603)**	**(71,329)**
Balance as at December 31, 2023	**141,117**	**18,452**	**159,569**

(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.

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

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

As at December 31, 2023 and 2022, the Bank has no expenses related to leases of low value. Expenses related to short-term leases amount to MCh$5,064 as at December 31, 2023 (MCh$4,809 as at December 31, 2022) and are included in "Administrative expenses" in the Consolidated Statements of Income.

Income received from the sub-lease on right-of-use assets amount to MCh$505 as at December 31, 2023 (MCh$1,080 as at December 31, 2022), which are recorded in "Other Operating Income" in the Consolidated Statements of Income.

As at December 31, 2023 and 2022, no gains or losses were generated from sale with leaseback transactions.

c) Liabilities under lease contracts

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

Lease liability	Movements for the periods ended as at	
	12/31/2023 MCh$	12/31/2022 MCh$
Balances as at January 1	160,376	163,775
Lease liabilities generated	1,186	140
Modification of contract	(112)	261
Modification of contract- subsidiaries	(767)	-
Interest expense	4,396	4,289
Capital payments (*)	(11,026)	(10,377)
Interest payments (*)	(4,396)	(4,289)
Contract adjustments	6,943	19,365
Payments due to cancellation /termination of leases	(7,292)	(12,788)
Total	**149,308**	**160,376**
(*) Total Payments associated with lease liabilities in the period	(15,422)	(14,666)

d) Cash flows from liabilities under lease contracts

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

Lease contracts flows	Up to 1 month MCh$	Between 1 and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 and 5 years MCh$	More than 5 years MCh$	Total MCh$
As at December 31, 2023	1,225	2,453	11,035	57,429	113,536	185,678
As at December 31, 2022	1,273	2,549	11,473	60,024	124,961	200,280

Note 18 Taxes

a) Current taxes

	12/31/2023 MCh$	12/31/2022 MCh$
Assets:		
Income tax, 27% tax rate	(12,784)	(24,017)
One-off tax under Article 21, 40% tax rate	-	(22)
Less:		
Monthly tax provisional payments	14,912	61,439
Credit for training expenses	285	742
Credit 104 Income Tax Law	-	949
Previous year recoverable tax	-	14,402
Other	-	(15)
Total current tax asset	**2,413**	**53,478**
Liabilities:		
Income tax, 27% tax rate	(132,062)	(8,882)
One-off tax under Article 21, 40% tax rate	(33)	-
Previous year income tax	-	-
Less:		
Monthly tax provisional payments	49,742	7,096
Credit for training expenses	546	62
Previous year recoverable tax	18,713	-
Credit 104 LIR	9	-
Other	(137)	-
Total current tax liability	**(63,222)**	**(1,724)**

b) Tax benefit (expense)

The effect of tax expense is composed of the following:

	12/31/2023 MCh$	12/31/2022 MCh$
Income tax expenses:		
Current year tax	(119,349)	(15,252)
Excess (deficit) allowance previous year	3,243	54,534
Previous years tax	-	-
Credit (charge) due to deferred taxes:		
Origination and reversal of temporary differences current year	41,961	(4,418)
Origination and reversal of temporary differences prior year	(434)	(56,303)
Subtotal	(74,579)	(21,439)
Tax for rejected expenses Article Nº21	(33)	(22)
Other	-	-
Net charge to Income due to income tax	**(74,612)**	**(21,461)**

The Bank presents no taxes from discontinued operations for the years ended December 31, 2023 and 2022.

c) Effect of taxes recorded in equity

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

	12/31/2023 MCh$	12/31/2022 MCh$
Deferred taxes:		
Financial investments at fair value with changes in other comprehensive income	(11,981)	(6,441)
Employee defined benefit plans	17	9
Effects of first application Accounting Standards Compendium for banks	-	(3,603)
Subtotal deferred taxes	**(11,964)**	**(10,035)**
Current taxes:		
Derivatives in cash flow hedges	(26,030)	(17,672)
Subtotal current taxes	**(26,030)**	**(17,672)**
Total (charge) credit in equity	**(37,994)**	**(27,707)**

d) Deferred tax assets and liabilities

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

Concept	12/31/2023 MCh$	12/31/2022 MCh$
Deferred tax assets associated to goodwill	-	-
Deferred tax assets associated with mortgage servicing rights	-	-
Deferred tax assets associated with other intangibles	6,555	6,263
Deferred tax assets associated with defined benefit pension plans	495	470
Deferred tax assets associated with deductible temporary differences		
Loans provisions	221,485	199,601
Financial penalties of loans thar are tax assets	-	-
Income from interest and adjustments with accrual suspended for loans in impaired portfolio	16,764	13,096
Provisions for employee benefit obligations	9,771	8,126
Leasing operations	13,098	4,949
Tax-financial differences of property and equipment	11,597	10,995
MTM Financial instruments for trading and other investments	23,611	29,348
Sundry provisions	5,062	4,917
Other	16,518	4,947
Deferred tax assets not associated with deductible temporary differences		
Unused Bank Tax Losses	-	-
Unused tax losses of subsidiaries	3,854	4,366
Unused tax credits	-	-
Deferred taxes with changes in equity	31,848	43,829
Other	-	-
Total deferred tax assets	**360,658**	**330,907**
Deferred tax liabilities associated to goodwill	-	-
Deferred tax liabilities associated with mortgage servicing rights	-	-
Deferred tax liabilities associated with other intangibles	-	-
Deferred tax liabilities associated with defined benefit pension plans	-	-
Deferred tax liabilities associated with taxable temporary differences		
Tax- financial differences of property, equipment	(795)	(573)
Leasing operations	-	-
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-
Other changes in accumulated other comprehensive income	-	-
Other	-	-
Deferred tax liabilities not associated with taxable temporary differences	-	-
Goodwill for significant investments in companies measured using equity method (associates and/or joint ventures)	-	-
Total deferred tax liabilities	**(795)**	**(573)**

e) Reconciliation of effective tax rate

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

	Tax rate %	12/31/2023 MCh$
Income before corporate income tax	27.00%	132,618
Permanent differences		
Price-level restatement on tax equity	(11.59%)	(56,941)
Other permanent differences	0.07%	329
Taxes not recognized on profit or loss in previous years		
Prior year effect	(0.58%)	(2,870)
Other	0.29%	1,443
Effective rate and current year income tax proceeds	15.19%	74,579
One-off tax under Article No. 21	0.01%	33
Total income tax expense	**15.20%**	**74,612**

	Tax rate %	12/31/2022 MCh$
Income before corporate income tax	27.00%	144,860
Permanent differences		
Price-level restatement on tax equity	(26.62%)	(142,795)
Other permanent differences	1.19%	6,383
Taxes not recognized on profit or loss in previous years	0.00%	-
Prior year effect	0.34%	1,798
Effective rate and current year income tax proceeds	4.00%	21,439
One-off tax under Article No. 21	0.01%	22
Total income tax expense	**4.01%**	**21,461**

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

Transactions and effects generated by the application of article 31, number 4 of the Income Tax Law is detailed below. This information relates solely to the Bank's loan transactions and does not consider the operations of subsidiaries which consolidate in these Consolidated Financial Statements.

Loans and accounts receivable from customers as at 12/31/2023

Type of loan	Assets at carrying amount in the Financial Statements(*)	Assets at tax value		
		Total	Secured overdue portfolio	Unsecured overdue portfolio
	MCh$	MCh$	MCh$	MCh$
Commercial loans	14,383,938	14,599,470	81,659	56,707
Consumer loans	2,296,878	2,443,503	-	18,505
Mortgage loans	13,856,640	14,211,891	6,823	21
Total	**30,537,456**	**31,254,864**	**88,482**	**75,233**

Allowances on overdue portfolio as at 12/31/2023

Type of loan	Balance as at December 31, 2022	Write-offs against allowances	Allowances constituted	Released allowances	Balance as at December 31, 2023
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	32,988	(25,504)	83,829	(34,606)	56,707
Consumer loans	13,708	(44,905)	68,646	(18,944)	18,505
Mortgage loans	55	(46)	17	(5)	21
Total	**46,751**	**(70,455)**	**152,492**	**(53,555)**	**75,233**

Direct write-offs and recoveries as at 12/31/2023	**MCh$**
Direct write-offs as per Art. 31 No. 4 second sub-paragraph	14,203
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	49,851

Application of Art. 31 No. 4 first and third sub- paragraphs	**MCh$**
Write-offs per first sub- paragraph	-
Forgiveness per third sub-paragraph	-

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

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

Allowances on overdue portfolio as at 12/31/2022

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

Direct write-offs and recoveries as at 12/31/2022	**MCh$**
Direct write-offs as per Art. 31 No. 4 second sub-paragraph	96,584
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	51,409

Application of Art. 31 No. 4 first and third sub- paragraphs	**MCh$**
Write-offs per first sub- paragraph	-
Forgiveness per third sub-paragraph	-

(*) 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.

Note 19 Other assets

Other assets are detailed as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Assets to assign in financial leasing as lessor	2,091	6,653
Cash guarantees delivered for derivative financial operations	532,582	598,920
Accounts receivable from third parties	126,575	98,439
VAT tax credit receivable	9,393	11,207
Prepaid expenses	5,688	8,078
Income asset from usual activities from contracts with customers	482	1,962
Other cash collateral provided	5,990	7,720
Outstanding operations	7,509	1,892
Other assets	18,221	21,501
Total other assets	**708,531**	**756,372**

Note 20 Non-current assets and disposal groups held for sale and liabilities included in disposal groups held for sale

a) This line item is detailed as follows:

Concept	12/31/2023 MCh$	12/31/2022 MCh$
Assets received in payment or adjudicated in judicial auction		
Goods received in payment (*)	264	381
Assets adjudicated in judicial auction	16,222	12,272
Provisions for goods received in payment or adjudicated in judicial auction	(19)	(18)
Subtotal	**16,467**	**12,635**
Non-current assets held for sale		
Investments in companies	-	-
Intangible assets	-	-
Property and equipment	2,029	2,029
Assets for recovery of goods transferred in financial leasing operations	1,238	511
Other assets	-	-
Subtotal	**3,267**	**2,540**
Disposal groups for sale	**-**	**-**
Total non-current assets and disposal groups for sale	**19,734**	**15,175**

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

(*) Assets received in lieu of payment correspond to assets received for the payment of customers' past due debt obligations. The group of assets acquired as such must not exceed 20% of the Bank's effective equity at any time. These assets currently represent 0.0057% (0.0092% as at December 31, 2022) of the Bank's effective equity.

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

	Assets received in payment or adjudicated in judicial auction MCh$	Non-current assets held for sale MCh$	Total MCh$
Assets			
Balance as at January 1, 2022	11,330	4,209	15,539
Repossessed assets	15,219	537	15,756
Write-offs on goods	(3,779)	133	(3,646)
Alienation	(6,399)	-	(6,399)
(Constitution)/release	-	(417)	(417)
Sales / disposals	(3,718)	(1,922)	(5,640)
Balance as at December 31, 2022	**12,653**	**2,540**	**15,193**
Provisions			
Balance as at January 1, 2022	(5)	-	(5)
Provisions constituted	(151)	-	(151)
Release on provisions	153	-	153
Sales / disposals	(15)	-	(15)
Balance as at December 31, 2022	**(18)**	**-**	**(18)**
Net balances as at December 31, 2022	**12,635**	**2,540**	**15,175**
Assets			
Balance as at January 1, 2023	12,653	2,540	15,193
Repossessed assets	21,741	3,379	25,120
Write-offs on goods	(2,622)	(431)	(3,053)
Alienation	(717)	(1,106)	(1,823)
Regularizations	81	23	104
(Constitution)/release	-	(1,138)	(1,138)
Sales / disposals	(14,650)	-	(14,650)
Balance as at December 31, 2023	**16,486**	**3,267**	**19,753**
Provisions			
Balance as at January 1, 2023	(18)	-	(18)
Provisions constituted	(893)	-	(893)
Release on provisions	912	-	912
Sales / disposals	-	-	-
Transfers, other movements and exchange differences	(20)	-	(20)
Balance as at December 31, 2023	**(19)**	**-**	**(19)**
Net balances as at December 31, 2023	**16,467**	**3,267**	**19,734**

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

The detail of this line item is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Derivative instruments		
Forwards	837,758	1,597,384
Swaps	3,768,639	4,615,628
Call options	310	-
Put options	43	-
Other financial instruments	-	-
Total	**4,606,750**	**6,213,012**

Financial derivative contracts are detailed as follows:

As at December 31, 2023	Notional amounts of contracts with final maturity (1)							
Product	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$	Fair value MCh$
Forward								
Future arbitration	-	469,274	684,558	498,664	229,805	17,530	-	26,685
Paper Forward	-	-	-	-	-	-	-	-
Exchange insurance	-	12,664,619	7,165,032	6,463,092	1,719,169	508,657	832,142	474,309
Inflation insurance	-	1,215,589	1,660,201	3,254,867	3,298,199	1,440,015	3,972,265	336,764
Subtotal forward	**-**	**14,349,482**	**9,509,791**	**10,216,623**	**5,247,173**	**1,966,202**	**4,804,407**	**837,758**
Options								
Call option	-	1,122	8,800	9,922	-	-	-	310
Put option	-	1,098	-	-	-	-	-	43
Subtotal options	**-**	**2,220**	**8,800**	**9,922**	**-**	**-**	**-**	**353**
Swap								
Cross currency swap	-	1,120,657	2,098,402	6,479,584	14,643,182	8,215,231	13,510,074	2,490,939
Rate swap	-	4,782,210	10,090,550	32,661,452	21,343,124	11,915,337	17,034,500	1,277,700
Subtotal swap	**-**	**5,902,867**	**12,188,952**	**39,141,036**	**35,986,306**	**20,130,568**	**30,544,574**	**3,768,639**
Total	**-**	**20,254,569**	**21,707,543**	**49,367,581**	**41,233,479**	**22,096,770**	**35,348,981**	**4,606,750**

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

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

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

Note 22 Financial liabilities at amortized cost

The detail of this line item is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Deposits and other on-demand liabilities	4,850,696	5,076,459
Term and on-demand deposits	13,181,368	13,972,388
Liabilities under repurchase agreements and securities lending	163,647	205,943
Bank borrowings	5,368,647	5,342,212
Debt financial instruments issued	8,186,492	7,707,165
Other financial liabilities	156,392	120,225
Total	**31,907,242**	**32,424,392**

a) Deposits and other on demand liabilities

	12/31/2023 MCh$	12/31/2022 MCh$
Checking accounts	3,872,151	3,965,561
Demand deposit accounts	299,920	379,377
Other on-demand deposits	149,927	133,033
Other on-demand obligations		
Obligations for other credits granted to be completed to other banks and/or the beneficiary of the loan	5,319	190
Guarantee bills payable at sight	48,181	45,704
Collections performed to be completed	87,836	70,180
Pending payment orders	13,174	75,328
Payments received on account of loans to be settled	2,775	3,308
mmobilized balances article 156 General Banking Law	19,648	21,389
Overdue time deposits	8,284	2,908
Various mortgage creditors	95,760	145,396
Granting of loans Law No. 20027	130	37
Payments to apply	68,000	143
Other sight obligations	179,591	233,905
Total	**4,850,696**	**5,076,459**

b) Term and other on-demand deposits

	12/31/2023 MCh$	12/31/2022 MCh$
Term deposits	13,080,930	13,866,230
Term saving accounts	100,438	106,158
Other	-	-
Total	**13,181,368**	**13,972,388**

c) Liabilities under repurchase agreements and securities lending

	12/31/2023 MCh$	12/31/2022 MCh$
Operations with banks:		
Repurchase agreements - Banco Central de Chile	-	-
Operations with banks abroad	-	-
Operations with other domestic entities		
Repurchase agreements	163,647	203,337
Securities lending obligations	-	2,606
Operations with other entities abroad	-	-
Total	**163,647**	**205,943**

As at December 31, 2023	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 months MCh$	More than 3 up to 12 months MCh$	More than 1 up to 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Operations with banks								
Repurchase agreements - Banco Central de Chile	-	-	-	-	-	-	-	-
Operations with banks abroad	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase agreements	52,515	107,601	3,531	-	-	-	-	163,647
Securities lending obligations	-	-	-	-	-	-	-	-
Operations with other entities abroad	-	-	-	-	-	-	-	-
Total	**52,515**	**107,601**	**3,531**	**-**	**-**	**-**	**-**	**163,647**

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

d) Bank borrowings

	12/31/2023 MCh$	12/31/2022 MCh$
Local Banks		
Foreign trade financing	-	-
Borrowings and other obligations	-	-
Banks abroad		
Foreign trade financing	1,386,023	1,434,397
Borrowings and other obligations	952,598	877,789
Banco Central de Chile		
Borrowings and other obligations	3,030,026	3,030,026
Total	**5,368,647**	**5,342,212**

The detail of bank borrowings is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Local Banks	-	-
Banks abroad		
Scotiabank (Bahamas) Ltd	793,564	783,114
Export Development Canada	666,457	555,649
Bank of America, N.A.	201,667	187,322
Caixa D'Estalvis	145,571	64,516
Hong Kong and Shanghai Banking	143,667	-
Zuercher Kantonalbank	79,535	8,562
Corporación Andina de Fomento	62,531	42,959
Citibank N.A.	61,626	68,837
Sumimoto Mitsui Banking	60,262	-
Lloyds TSB Bank PLC	44,170	-
Wells Fargo Bank	44,104	171,018
Standard Chartered Bank	8,115	107,292
The Bank Chase Manhattan	-	64,582
Barclays Bank PLC	-	42,977
The Bank of Montreal	-	42,571
Toronto-Dominion Bank	-	86,302
The Bank of New York	-	43,059
Other	27,352	43,426
Banco Central de Chile	3,030,026	3,030,026
Total	**5,368,647**	**5,342,212**

e) Debt financial instruments issued

	12/31/2023 MCh$	12/31/2022 MCh$
Letter of credit (1)	88,293	100,235
Current bonds (2)	8,098,199	7,606,930
Total	**8,186,492**	**7,707,165**

(1) During the year between January 1 and December 31, 2023 and January 1 and December 31, 2022, no new letters of credit have been issued.

(2) During the year between January 1 and December 31, 2023, and January 1 and December 31, 2022, the following domestic and international current bonds have been issued.

Period between January 1 and December 31, 2023:

Series	Amount	Placement date	Annual issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
BB	150,000	02-15-2023	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BF	5,000,000,000	01-10-2023	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	33,000,000,000	07-12-2023	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BA	300,000	01-13-2023	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	500,000	02-24-2023	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	500,000	02-28-2023	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	1,000,000	06-12-2023	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	60,000	06-14-2023	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	240,000	07-12-2023	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BG	700,000	01-16-2023	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
BI	200,000	01-16-2023	4,000,000	9	3.00	UF	03-09-2021	03-09-2030
BG	330,000	02-15-2023	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
BH	900,000	03-07-2023	4,000,000	8	3.00	UF	03-09-2021	03-09-2029
BI	100,000	03-13-2023	4,000,000	9	3.00	UF	03-09-2021	03-09-2030
BH	750,000	05-30-2023	4,000,000	8	3.00	UF	03-09-2021	03-09-2029
BH	35,000	09-04-2023	4,000,000	8	3.00	UF	03-09-2021	03-09-2029
BL	520,000	02-08-2023	3,000,000	9	2.70	UF	08-01-2022	08-01-2031
BQ	300,000	02-15-2023	3,000,000	5	2.50	UF	08-01-2022	08-01-2027
BQ	390,000	04-18-2023	3,000,000	5	2.50	UF	08-01-2022	08-01-2027
BQ	350,000	04-21-2023	3,000,000	5	2.50	UF	08-01-2022	08-01-2027
BQ	325,000	05-05-2023	3,000,000	5	2.50	UF	08-01-2022	08-01-2027
BQ	250,000	05-08-2023	3,000,000	5	2.50	UF	08-01-2022	08-01-2027
BR	10,000,000,000	05-11-2023	100,000,000,000	5	8.10	$	08-01-2022	08-01-2027
BR	14,000,000,000	05-16-2023	100,000,000,000	5	8.10	$	08-01-2022	08-01-2027
BQ	200,000	06-09-2023	3,000,000	5	2.50	UF	08-01-2022	08-01-2027
BL	30,000	06-14-2023	3,000,000	9	2.70	UF	08-01-2022	08-01-2031
BL	250,000	06-15-2023	3,000,000	9	2.70	UF	08-01-2022	08-01-2031
BM	925,000	06-29-2023	3,000,000	8	2.70	UF	08-01-2022	08-01-2030
BM	520,000	07-04-2023	3,000,000	8	2.70	UF	08-01-2022	08-01-2030
BL	50,000	07-12-2023	3,000,000	9	2.70	UF	08-01-2022	08-01-2031
BM	230,000	08-07-2023	3,000,000	8	2.70	UF	08-01-2022	08-01-2030
BL	220,000	08-24-2023	3,000,000	9	2.70	UF	08-01-2022	08-01-2031
BM	250,000	11-23-2023	3,000,000	8	2.70	UF	08-01-2022	08-01-2030
BM	100,000	12-12-2023	3,000,000	8	2.70	UF	08-01-2022	08-01-2030
BT	2,000,000	03-15-2023	3,000,000	8	2.50	UF	02-01-2023	02-01-2031
BS	100,000,000,000	03-16-2023	100,000,000,000	7	6.10	$	02-01-2023	02-01-2030
BX	300,000	06-06-2023	3,000,000	13	2.50	UF	02-01-2023	02-01-2036
BW	3,000,000	06-09-2023	3,000,000	12	2.50	UF	02-01-2023	02-01-2035
BT	370,000	06-14-2023	3,000,000	8	2.50	UF	02-01-2023	02-01-2031
BX	150,000	06-15-2023	3,000,000	13	2.50	UF	02-01-2023	02-01-2036
BV	3,000,000	07-13-2023	3,000,000	11	2.50	UF	02-01-2023	02-01-2034
BT	500,000	07-17-2023	3,000,000	8	2.50	UF	02-01-2023	02-01-2031

Period between January 1 and December 31, 2023, continued:

Series	Amount	Placement date	Annual issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
BX	300,000	08-04-2023	3,000,000	13	2.50	UF	02-01-2023	02-01-2036
BT	130,000	08-23-2023	3,000,000	8	2.50	UF	02-01-2023	02-01-2031
BX	300,000	08-24-2023	3,000,000	13	2.50	UF	02-01-2023	02-01-2036
BX	100,000	09-22-2023	3,000,000	13	2.50	UF	02-01-2023	02-01-2036
BX	50,000	12-28-2023	3,000,000	13	2.50	UF	02-01-2023	02-01-2036
11	5,000,000,000	02-16-2023	5,000,000,000	4	0.90	JPY	03-02-2023	03-02-2027
BH	170,000	10-13-2023	4,000,000	6	3.00	UF	03-09-2023	03-09-2029
BZ	19,000,000,000	06-05-2023	100,000,000,000	6	6.40	$	04-01-2023	04-01-2029
BZ	3,000,000,000	06-09-2023	100,000,000,000	6	6.40	$	04-01-2023	04-01-2029
BZ	19,000,000,000	06-13-2023	100,000,000,000	6	6.40	$	04-01-2023	04-01-2029
BZ	10,000,000,000	06-20-2023	100,000,000,000	6	6.40	$	04-01-2023	04-01-2029
BZ	40,000,000,000	06-22-2023	100,000,000,000	6	6.40	$	04-01-2023	04-01-2029
BZ	7,000,000,000	06-23-2023	100,000,000,000	6	6.40	$	04-01-2023	04-01-2029
BY	9,000,000,000	07-03-2023	100,000,000,000	4	6.40	$	04-01-2023	04-01-2027
CB	320,000	07-05-2023	3,000,000	8	2.90	UF	04-01-2023	04-01-2031
BY	2,000,000,000	07-12-2023	100,000,000,000	4	6.40	$	04-01-2023	04-01-2027
BZ	2,000,000,000	07-12-2023	100,000,000,000	6	6.40	$	04-01-2023	04-01-2029
CB	100,000	08-18-2023	3,000,000	8	2.90	UF	04-01-2023	04-01-2031
BY	5,000,000,000	08-29-2023	100,000,000,000	4	6.40	$	04-01-2023	04-01-2027
CA	695,000	09-04-2023	3,000,000	5	2.90	UF	04-01-2023	04-01-2028
CB	200,000	11-15-2023	3,000,000	8	2.90	UF	04-01-2023	04-01-2031
CB	135,000	11-21-2023	3,000,000	8	2.90	UF	04-01-2023	04-01-2031
CA	665,000	12-12-2023	3,000,000	5	2.90	UF	04-01-2023	04-01-2028
BY	9,000,000,000	12-18-2023	100,000,000,000	4	6.40	$	04-01-2023	04-01-2027
BY	11,000,000,000	12-21-2023	100,000,000,000	4	6.40	$	04-01-2023	04-01-2027
BY	7,000,000,000	12-27-2023	100,000,000,000	4	6.40	$	04-01-2023	04-01-2027
12	100,000,000	05-02-2023	100,000,000	2	2.78	CHF	05-23-2023	05-23-2025
13	13,000,000	05-12-2023	13,000,000	2	5.09	USD	05-23-2023	05-23-2025
14	2,000,000,000	06-01-2023	2,000,000,000	1	0.70	JPY	06-12-2023	12-12-2024
AB	10,500,000,000	11-24-2023	100,000,000,000	6	6.20	$	06-30-2023	06-30-2029
AC	15,000,000,000	12-04-2023	100,000,000,000	7	6.20	$	06-30-2023	06-30-2030
AA	6,000,000,000	12-20-2023	100,000,000,000	5	6.20	$	06-30-2023	06-30-2028
AC	2,000,000,000	12-20-2023	100,000,000,000	7	6.20	$	06-30-2023	06-30-2030
AC	5,000,000,000	12-27-2023	100,000,000,000	7	6.20	$	06-30-2023	06-30-2030
AB	7,000,000,000	12-28-2023	100,000,000,000	6	6.20	$	06-30-2023	06-30-2029
15	5,000,000,000	06-27-2023	5,000,000,000	2	0.75	JPY	07-11-2023	07-11-2025
16	20,000,000	11-30-2023	20,000,000	2	5.50	USD	12-12-2023	12-12-2025

Period between January 1 and December 31, 2022:

Series	Amount	Placement date	Annual issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
AQ	1,000,000	07-11-2022	4,000,000	23	3.50	UF	11-01-2019	11-01-2042
AQ	200,000	07-15-2022	4,000,000	23	3.50	UF	11-01-2019	11-01-2042
AQ	350,000	07-15-2022	4,000,000	23	3.50	UF	11-01-2019	11-01-2042
AQ	550,000	07-15-2022	4,000,000	23	3.50	UF	11-01-2019	11-01-2042
AQ	1,900,000	07-15-2022	4,000,000	23	3.50	UF	11-01-2019	11-01-2042
AS	330,000	03-21-2022	5,000,000	5.5	1.05	UF	04-09-2020	10-09-2025
AS	300,000	04-22-2022	5,000,000	5.5	1.05	UF	04-09-2020	10-09-2025
AS	150,000	04-26-2022	5,000,000	5.5	1.05	UF	04-09-2020	10-09-2025
AS	70,000	05-12-2022	5,000,000	5.5	1.05	UF	04-09-2020	10-09-2025
AV	765,000	01-28-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AU	673,000	02-01-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AV	220,000	02-16-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AU	100,000	02-17-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AU	150,000	02-21-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AU	200,000	02-23-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AU	420,000	03-01-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AU	620,000	03-09-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AU	200,000	03-10-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026

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

Series	Amount	Placement date	Annual issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
AV	200,000	03-10-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AU	100,000	03-14-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AU	100,000	03-18-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AV	230,000	03-22-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AU	1,257,000	03-25-2022	4,000,000	6	1.20	UF	06-09-2020	06-09-2026
AV	400,000	03-25-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AV	100,000	05-05-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AV	50,000	05-12-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AV	50,000	05-13-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AV	100,000	05-16-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AV	170,000	06-30-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AV	315,000	07-01-2022	4,000,000	7.5	1.30	UF	06-09-2020	12-09-2027
AW	2,000,000	03-24-2022	4,000,000	9	1.40	UF	07-09-2020	07-09-2029
BE	2,000,000	02-25-2022	5,000,000	13	0.60	UF	09-09-2020	09-09-2033
BD	2,000,000	04-07-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BB	2,000,000	06-01-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BE	1,000,000	06-08-2022	5,000,000	13	0.60	UF	09-09-2020	09-09-2033
BB	600,000	06-15-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BB	50,000	06-16-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BD	2,000,000	07-07-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BD	2,000,000	07-07-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BB	200,000	09-27-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BD	400,000	10-14-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BD	300,000	11-09-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BD	150,000	11-17-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BB	50,000	12-01-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BB	150,000	12-01-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BD	150,000	12-01-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BB	1,700,000	12-07-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BB	100,000	12-13-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BF	6,000,000,000	09-09-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	15,500,000,000	09-09-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	7,000,000,000	09-13-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	14,000,000,000	09-14-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	1,000,000,000	09-14-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	5,000,000,000	10-26-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	8,000,000,000	11-14-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BF	5,500,000,000	12-02-2022	100,000,000,000	4	2.50	$	12-01-2020	12-01-2024
BA	2,000,000	08-31-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	150,000	09-22-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	200,000	09-27-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	100,000	10-12-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	350,000	11-23-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	50,000	11-23-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	400,000	12-12-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BA	50,000	12-12-2022	5,000,000	9	0.40	UF	12-09-2020	12-09-2029
BJ	4,000,000	05-16-2022	4,000,000	12	3.00	UF	03-03-2021	03-03-2033
BG	400,000	07-22-2022	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
BG	1,790,000	08-09-2022	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
BG	430,000	11-23-2022	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
BG	100,000	11-24-2022	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
BG	50,000	11-24-2022	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
BI	100,000	12-14-2022	4,000,000	9	3.00	UF	03-09-2021	03-09-2030
BI	500,000	12-14-2022	4,000,000	9	3.00	UF	03-09-2021	03-09-2030
BG	200,000	12-28-2022	4,000,000	7	3.00	UF	03-09-2021	03-09-2028
9	30,000,000	01-12-2022	30,000,000	10	3.40	AUD	01-27-2022	01-27-2032
10	3,000,000,000	02-24-2022	3,000,000,000	5	0.52	JPY	03-24-2022	03-24-2027
BK	3,000,000	12-21-2022	3,000,000	12	2.70	UF	08-01-2022	08-01-2034
BQ	200,000	12-28-2022	3,000,000	5	2.50	UF	08-01-2022	08-01-2027

f) Other financial liabilities

	12/31/2023 MCh$	12/31/2022 MCh$
Other financial obligations with the public sector	-	-
Other financial obligations in the country		
Due to affiliated establishments for the use of credit cards	401	622
Due to operators for debit and credit card operation service	123,266	100,115
Obligations in favor of Chilean exporters	12,518	3,363
Other financial obligations abroad		
Obligations in favor of foreign exporters	20,207	16,125
Total	**156,392**	**120,225**

Note 23 Regulatory capital financial instruments issued

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

	12/31/2023 MCh$	12/31/2022 MCh$
Subordinated bonds	1,201,214	987,943
Bonds with no fixed term of maturity	-	-
Preferred shares	-	-
Total	**1,201,214**	**987,943**

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

	12/31/2023 MCh$	12/31/2022 MCh$
Balance at beginning of period	987,943	756,367
New issues performed (subordinated bonds, bonds with no fixed maturity term, preferred shares)	138,504	148,854
Acquisition or redemption by the issuer (bonds with no fixed maturity term, preferred shares)	-	-
Modification of issuance conditions (subordinated bonds, bonds with no fixed maturity term, preferred shares)	-	-
Payments of interest to the holder (subordinated bonds)	(91,356)	(41,768)
Principal payment to the holder (subordinated bonds)	(25,078)	(15,519)
Accrued interest (subordinated bonds)	133,131	48,432
Adjustments accrued by the UF and/or the exchange rate (subordinated bonds, bonds with no fixed maturity term)	58,070	91,577
Exchange differences (subordinated bonds, bonds with no fixed maturity term)	-	-
Depreciation (bonds with no fixed maturity term)	-	-
Repricing (bonds with no fixed maturity term)	-	-
Expiration (bonds with no fixed maturity period)	-	-
Conversion to common shares (subordinated bonds, bonds with no fixed maturity term, preferred shares)	-	-
Other	-	-
Balance at the end of the period	**1,201,214**	**987,943**

c) The detail of subordinated bonds is as follows:

Periods ended as at December 31, 2023								
Series	Amount in issue currency	Issuance term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh$
UDESE10999	30,000	25	6.00	UF	09-29-1999	03-01-2024	2,938	108
UDESE10999	270,000	25	6.00	UF	09-29-1999	03-01-2024	26,470	974
UDESE10999	10,000	25	6.00	UF	10-21-1999	03-01-2024	980	36
UDESE10999	30,000	25	6.00	UF	11-04-1999	03-01-2024	2,941	108
UDESE10999	20,000	25	6.00	UF	11-08-1999	03-01-2024	1,958	72
UDESE20999	70,000	26	6.25	UF	08-16-2000	09-01-2025	13,956	513
UDESE30999	200,000	28	6.50	UF	06-05-2002	09-01-2027	74,462	2,739
UBBV-A1203	20,000	24	6.00	UF	04-01-2004	12-01-2027	5,853	215
UBBV-A1203	40,000	24	6.00	UF	04-01-2004	12-01-2027	11,726	431
UBBV-A1203	50,000	24	6.00	UF	04-01-2004	12-01-2027	14,660	539
UBBV-A1203	50,000	24	6.00	UF	04-01-2004	12-01-2027	14,654	539
UBBV-A1203	50,000	24	6.00	UF	04-01-2004	12-01-2027	14,603	537
UBBV-A1203	60,000	24	6.00	UF	04-01-2004	12-01-2027	17,582	647
UBBV-A1203	100,000	24	6.00	UF	04-01-2004	12-01-2027	29,292	1,078
UBBV-A1203	150,000	24	6.00	UF	04-01-2004	12-01-2027	43,955	1,617
UBBV-A1203	150,000	24	6.00	UF	04-01-2004	12-01-2027	43,801	1,611
UBBV-A1203	150,000	24	6.00	UF	04-01-2004	12-01-2027	43,852	1,613
UBBV-A1203	180,000	24	6.00	UF	04-01-2004	12-01-2027	52,572	1,934
UBBV-A1203	200,000	24	6.00	UF	04-01-2004	12-01-2027	58,459	2,151
UBBV-A1203	250,000	24	6.00	UF	04-01-2004	12-01-2027	73,158	2,691
UBBV-A1203	500,000	24	6.00	UF	04-01-2004	12-01-2027	145,892	5,367
UBBV-A1203	1,250,000	24	6.00	UF	04-01-2004	12-01-2027	364,588	13,413
UBBV-A1203	1,300,000	24	6.00	UF	04-01-2004	12-01-2027	374,527	13,779
UBBV-A1203	1,500,000	24	6.00	UF	04-01-2004	12-01-2027	437,929	16,111
UDES-F	500,000	25	6.00	UF	03-30-2005	10-01-2029	253,894	9,341
UDES-F	500,000	25	6.00	UF	03-30-2005	10-01-2029	253,692	9,333
UDES-G	1,000,000	26	4.75	UF	10-07-2005	10-01-2030	573,508	21,073
UDESH-1006	1,000,000	25	5.00	UF	10-05-2006	10-01-2031	747,330	27,400
UBBV-G0506	1,000,000	25	5.00	UF	10-19-2006	05-01-2031	1,062,727	39,097
UBBV-G0506	2,400,000	25	5.00	UF	10-19-2006	05-01-2031	2,542,926	93,553
UDES-I0307	1,000,000	25	4.50	UF	03-15-2007	03-01-2032	1,038,290	38,021
UBBVH90607	500,000	25	3.50	UF	10-24-2008	06-01-2032	435,565	16,024
UBBVH90607	900,000	25	3.50	UF	10-24-2008	06-01-2032	782,939	28,804
UBBVH90607	1,000,000	25	3.50	UF	10-24-2008	06-01-2032	979,439	36,033
UBBVH90607	5,600,000	25	3.50	UF	10-24-2008	06-01-2032	5,488,741	201,927
UBNS-AC0615	3,000,000	20	3.10	UF	08-27-2015	06-01-2035	3,013,821	110,697
UBNS-AA0215	1,000,000	30	3.50	UF	12-07-2018	08-01-2044	1,129,936	41,570
UBBVS10616	1,000,000	25	3.50	UF	08-21-2019	06-09-2041	1,389,088	51,104
UBBVS10616	1,000,000	25	3.50	UF	08-21-2019	06-09-2041	1,387,171	51,033
UBNSAQ1119	1,000,000	23	3.50	UF	07-11-2022	11-01-2042	1,116,482	41,075
UBNSAQ1119	200,000	23	3.50	UF	07-15-2022	11-01-2042	221,763	8,158
UBNSAQ1119	350,000	23	3.50	UF	07-15-2022	11-01-2042	388,085	14,277
UBNSAQ1119	550,000	23	3.50	UF	07-15-2022	11-01-2042	609,848	22,434
UBNSAQ1119	1,900,000	23	3.50	UF	07-15-2022	11-01-2042	2,106,747	77,506
UBNSAA0822	820,000	22	2.80	UF	10-16-2023	08-01-2045	723,885	26,631
UBNSAA0822	20,000	22	2.80	UF	10-17-2023	08-01-2045	17,656	651
UBNSAB0822	1,700,000	20	2.80	UF	11-09-2023	08-01-2043	1,462,237	53,795
UBNSAB0822	300,000	20	2.80	UF	11-16-2023	08-01-2043	264,284	9,724
UBNSAA0822	2,160,000	22	2.80	UF	11-27-2023	08-01-2045	1,909,710	70,258
UBNSAB0822	1,000,000	20	2.80	UF	12-06-2023	08-01-2043	893,489	32,872
							Total	**1,201,214**

Periods ended as at December 31, 2022								
Series	Amount in issue currency	Issuance term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh$
UDESE10999	30,000	25	6.00	UF	09-29-1999	03-01-2024	5,650	198
UDESE10999	270,000	25	6.00	UF	09-29-1999	03-01-2024	50,849	1,785
UDESE10999	10,000	25	6.00	UF	10-21-1999	03-01-2024	1,883	66
UDESE10999	30,000	25	6.00	UF	11-04-1999	03-01-2024	5,636	198
UDESE10999	20,000	25	6.00	UF	11-08-1999	03-01-2024	3,757	132
UDESE20999	70,000	26	6.25	UF	08-16-2000	09-01-2025	20,101	706
UDESE30999	200,000	28	6.50	UF	06-05-2002	09-01-2027	89,423	3,140
UBBV-A1203	20,000	24	6.00	UF	04-01-2004	12-01-2027	7,346	258
UBBV-A1203	40,000	24	6.00	UF	04-01-2004	12-01-2027	14,722	517
UBBV-A1203	50,000	24	6.00	UF	04-01-2004	12-01-2027	18,321	643
UBBV-A1203	50,000	24	6.00	UF	04-01-2004	12-01-2027	18,407	646
UBBV-A1203	50,000	24	6.00	UF	04-01-2004	12-01-2027	18,398	646
UBBV-A1203	60,000	24	6.00	UF	04-01-2004	12-01-2027	22,073	775
UBBV-A1203	100,000	24	6.00	UF	04-01-2004	12-01-2027	36,771	1,291
UBBV-A1203	150,000	24	6.00	UF	04-01-2004	12-01-2027	55,182	1,938
UBBV-A1203	150,000	24	6.00	UF	04-01-2004	12-01-2027	55,027	1,932
UBBV-A1203	150,000	24	6.00	UF	04-01-2004	12-01-2027	54,950	1,929
UBBV-A1203	180,000	24	6.00	UF	04-01-2004	12-01-2027	65,955	2,316
UBBV-A1203	200,000	24	6.00	UF	04-01-2004	12-01-2027	73,352	2,576
UBBV-A1203	250,000	24	6.00	UF	04-01-2004	12-01-2027	91,819	3,224
UBBV-A1203	500,000	24	6.00	UF	04-01-2004	12-01-2027	182,994	6,425
UBBV-A1203	1,250,000	24	6.00	UF	04-01-2004	12-01-2027	457,270	16,055
UBBV-A1203	1,300,000	24	6.00	UF	04-01-2004	12-01-2027	468,530	16,451
UBBV-A1203	1,500,000	24	6.00	UF	04-01-2004	12-01-2027	549,367	19,289
UDES-F	500,000	25	6.00	UF	03-30-2005	10-01-2029	287,736	10,103
UDES-F	500,000	25	6.00	UF	03-30-2005	10-01-2029	287,473	10,093
UDES-G	1,000,000	26	4.75	UF	10-07-2005	10-01-2030	638,387	22,414
UDESH-1006	1,000,000	25	5.00	UF	10-05-2006	10-01-2031	819,940	28,789
UBBV-G0506	1,000,000	25	5.00	UF	10-19-2006	05-01-2031	1,069,019	37,534
UBBV-G0506	2,400,000	25	5.00	UF	10-19-2006	05-01-2031	2,557,122	89,783
UDES-I0307	1,000,000	25	4.50	UF	03-15-2007	03-01-2032	1,036,247	36,384
UBBVH90607	500,000	25	3.50	UF	10-24-2008	06-01-2032	429,560	15,082
UBBVH90607	900,000	25	3.50	UF	10-24-2008	06-01-2032	772,042	27,107
UBBVH90607	1,000,000	25	3.50	UF	10-24-2008	06-01-2032	977,152	34,309
UBBVH90607	5,600,000	25	3.50	UF	10-24-2008	06-01-2032	5,476,307	192,279
UBNS-AC0615	3,000,000	20	3.10	UF	08-27-2015	06-01-2035	3,008,786	105,641
UBNS-AA0215	1,000,000	30	3.50	UF	12-07-2018	08-01-2044	1,133,945	39,814
UBBVS10616	1,000,000	25	3.50	UF	08-21-2019	06-09-2041	1,409,242	49,480
UBBVS10616	1,000,000	25	3.50	UF	08-21-2019	06-09-2041	1,407,207	49,408
UBNSAQ1119	1,000,000	23	3.50	UF	07-11-2022	11-01-2042	1,120,944	39,357
UBNSAQ1119	200,000	23	3.50	UF	07-15-2022	11-01-2042	222,590	7,815
UBNSAQ1119	350,000	23	3.50	UF	07-15-2022	11-01-2042	389,532	13,677
UBNSAQ1119	550,000	23	3.50	UF	07-15-2022	11-01-2042	612,121	21,492
UBNSAQ1119	1,900,000	23	3.50	UF	07-15-2022	11-01-2042	2,114,600	74,246
							Total	**987,943**

Note 24 Provisions for contingencies

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

	12/31/2023 MCh$	12/31/2022 MCh$
Provisions for employee benefit obligations	35,565	30,618
Provisions of a foreign bank branch for remittances of profits to its parent company	-	-
Provisions for restructuring plans	5,221	-
Provisions for trials and litigation (1)	10,574	12,152
Provisions for loyalty program obligations and customer merits	-	-
Provisions for operational risk	-	1,030
Contract contingency provision (2)	789	3,716
Other provisions due to other contingencies	3,125	2,375
Total	**55,274**	**49,891**

(1) For a better understanding of provisions, please refer to Note 29 "Contingencies and commitments."
(2) Relates to the provision for methodical savings contracts of the subsidiary Scotia Azul Sociedad de Leasing Inmobiliario S.A. and the Bank's lease contract transactions.

b) Movements in provisions are detailed as follows:

	Provisions due to employee benefit obligations MCh$	Provisions of a foreign bank branch for remittances of profits to its parent company MCh$	Provisions due to restructuring plans MCh$	Provisions due to trials and litigation MCh$	Provisions due to customer loyalty program obligations MCh$	Provisions due to operational risk MCh$	Other provisions for other contingencies MCh$	Total MCh$
Balance as at January 1, 2023	30,618	-	-	12,152	-	1,030	6,091	49,891
Provisions constituted	96,258	-	6,172	140	-	-	-	102,570
Provision application	(91,311)	-	(951)	(1,718)	-	-	-	(93,980)
Provisions releases	-	-	-	-	-	(1,030)	(2,177)	(3,207)
Balance as at December 31, 2023	**35,565**	**-**	**5,221**	**10,574**	**-**	**-**	**3,914**	**55,274**

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

c) Detail of provisions for employee benefits and salaries:

	12/31/2023 MCh$	12/31/2022 MCh$
Provision of short-term employee benefits	32,950	27,838
Provision of benefits to employees post-employment	-	-
Provision of long-term employee benefits (1)	1,993	1,759
Provision of benefits to employees for termination of employment contract (2)	622	1,021
Provision for payments to employees based on shares or equity instruments	-	-
Provision obligations post-employment plans on defined contribution	-	-
Provision of defined benefit post-employment plan obligations	-	-
Provision for other staff obligations	-	-
Total	**35,565**	**30,618**

(1) As at December 31, 2023, a provision of MCh$770 has been recorded to cover long-term benefits other than those subject to actuarial calculation (MCh$708 as at December 31, 2022). Provisions subject to actuarial calculation are described in letter d).

(2) As at December 31, 2023, a provision of MCh$11 has been recorded to cover severance indemnity payments other than those subject to actuarial calculation (MCh$363 as at December 31, 2022). Provisions subject to actuarial calculation are described in letter d).

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

	As at December 31, 2023		As at December 31, 2022	
	Provision of long-term employee benefits MCh$	Provision of benefits to employees for termination of employment contract MCh$	Provision of long-term employee benefits MCh$	Provision of benefits to employees for termination of employment contract MCh$
Balance as at January 1	1,051	658	882	536
Included in the result of the period				
Cost of present service	120	35	86	27
Costs of past services	122	(15)	114	38
Interest cost	145	85	75	51
Result from actuarial measurements	(23)	-	266	-
Unprovisioned paid benefits	-	-	-	-
Subtotal	**364**	**105**	**541**	**116**
Included in other comprehensive income				
Result from actuarial measurements	-	64	-	33
Subtotal	**-**	**64**	**-**	**33**
Other:				
Payment of benefits	(192)	(216)	(372)	(27)
Subtotal	**(192)**	**(216)**	**(372)**	**(27)**
Total	**1,223**	**611**	**1,051**	**658**

e) Actuarial assumptions for employee benefits

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

	Provision of long-term employee benefits		Provision of benefits to employees for termination of employment contract	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Discount rate	11.75%	14.25%	11.75%	14.25%
Salary increase rate	N/A	N/A	9.50%	13.50%
Rate of inflation	7.50%	11.50%	7.50%	11.50%

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

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

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

	As at December 31, 2023						As at December 31, 2022					
	Mortality		Rotation		Retirement		Mortality		Rotation		Retirement	
Years	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					
	As at December 31, 2023			As at December 31, 2022			As at December 31, 2023			As at December 31, 2022		
	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP
Discount rate sensitivity	1,251	1,223	1,196	1,074	1,051	1,028	630	611	592	679	658	637
	28		(27)	23		(23)	19		(19)	21		(21)

	-50BP	Original	+50BP	-50BP	Original	+50BP	-50BP	Original	+50BP	-50BP	Original	+50BP
Salary sensitivity	N/A	1,223	N/A	N/A	1,051	N/A	596	611	625	640	658	676
	-		-	-		-	(15)		14	(18)		18

Note 25 Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments

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

	12/31/2023 MCh$	12/31/2022 MCh$
Provisions for dividends		
Provision for payment of common shares dividends	122,388	146,260
Provision for payment of preferred shares dividends	-	-
Provision for payment of interest on bonds without a fixed maturity term	-	-
Provision for reappreciation of bonds with no fixed term to maturity	-	-
Total	**122,388**	**146,260**

b) Movements in provisions are detailed as follows:

	Payment of interest and repricing of regulatory capital financial instruments issued	Provision for payment of common shares dividends	Provision for payment of dividends on preferred shares	Provision for payment of interest on bonds with no fixed term of maturity	Provision for repricing of bonds with no fixed term of maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Opening balances as at January 1, 2023	-	**146,260**	-	-	-	**146,260**
Provisions constituted	-	122,388	-	-	-	**122,388**
Provision application	-	(146,260)	-	-	-	**(146,260)**
Provisions releases	-	-	-	-	-	-
Balance as at December 31, 2023	-	**122,388**	-	-	-	**122,388**

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

Note 26 Special allowances for credit losses

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

	12/31/2023 MCh$	12/31/2022 MCh$
Allowances due to credit risk for contingent loans	27,205	25,495
Allowances due to country risk on operations with debtors domiciled abroad	1,681	1,513
Special allowances due to loans abroad	-	-
Additional allowances due to commercial loans	87,715	87,715
Additional allowances due to mortgage loans	23,562	23,562
Additional allowances due to consumer loans	52,971	52,971
Allowances due to adjustments to the minimum provision required for normal portfolio with individual evaluation	-	-
Allowances constituted for credit risk as a result of complementary prudential requirements	-	-
Total	**193,134**	**191,256**

b) Movements in allowances are detailed as follows:

	Allowances due to credit risk for contingent loan MCh$	Allowances due to country risk on operations with debtors domiciled abroad MCh$	Special allowances due to loans abroad MCh$	Additional allowances for loans MCh$	Allowances for adjustments to the minimum provision required for normal portfolio with individual evaluation MCh$	Allowances constituted for credit risk as a result of complementary prudential requirements MCh$	Total MCh$
Balance as at January 1, 2023	25,495	1,513	-	164,248	-	-	191,256
Provisions constituted	12,536	1,261	-	-	-	-	13,797
Provision application	-	-	-	-	-	-	-
Provisions releases	(11,237)	(1,093)	-	-	-	-	(12,330)
Exchange rate effect on allowances	411	-	-	-	-	-	411
Balance as at December 31, 2023	**27,205**	**1,681**	**-**	**164,248**	**-**	**-**	**193,134**

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

Note 27 Other liabilities

The detail of other liabilities is as follows:

Concept	12/31/2023 MCh$	12/31/2022 MCh$
Cash guarantees received due to derivative financial operations	843,959	829,625
Creditors due to intermediation of financial instruments	-	-
Accounts payable to third parties	107,790	123,923
Accounts payable by bank subsidiaries (applies only at the individual level of the bank subsidiary)	-	-
Agreed dividends payable	278	268
Valuation adjustments for macro hedges	-	-
Liability for income from regular activities due to contracts with customers	79,434	79,309
VAT fiscal debit payable	9,957	10,134
Other cash guarantees received	16	16
Outstanding operations	3,435	3,402
Other liabilities	5,279	3,680
Total other liabilities	**1,050,148**	**1,050,357**

Note 28 Equity

a) Distribution of shares

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

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

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

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

Name of shareholder or Company name	As at December 31, 2023		As at December 31, 2022	
	Number of shares	Ownership %	Number of shares	Ownership %
Nova Scotia Inversiones Ltda.	12,219,875,618	99.80%	12,219,759,914	99.79%
Other minority shareholders	25,010,130	0.20%	25,125,834	0.21%
Total	**12,244,885,748**	**100.00%**	**12,244,885,748**	**100.00%**

b) Capital increases

During the year between January 1 and December 31, 2023, there were no capital increases.

c) Dividends paid and reserves

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

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

d) Earnings per share

Basic earnings per share:
It is calculated by dividing the profit or loss for the year, less preference shares, by the weighted average number of ordinary and investment shares outstanding during the year.

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

As at December 31, 2023 and 2022, the detail of diluted and basic earnings is as follows:

	Balance as at 12/31/2023	Balance as at 12/31/2022
Result attributable to the owners of the Bank (MCh$)	407,961	487,533
Weighted average number of shares	12,244,885,748	12,244,885,748
Earning per share (in Chilean pesos)	**33.32**	**39.82**

As at December 31, 2023 and 2022, the Bank does not have instruments generating dilutive effects.

e) Other comprehensive income:

The detail of other comprehensive income is as follows:

Sources of changes in Accumulated Other Comprehensive Income (MCh$)	Items that will not be reclassified in results				Items that can be reclassified in results							
	New measurements of the liability (asset) for net defined benefits and actuarial results for other employee benefit 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
Opening balances as at January 1, 2023	**9**	**2,581**	**(2)**	**2,588**	**(160,869)**	**-**	**-**	**(33,995)**	**(33)**	**(328)**	**52,999**	**(142,226)**
Income (loss) for the period	-	-	-	**-**	-	-	-	-	-	-	-	**-**
Other comprehensive income for the period	(64)	2,503	17	**2,456**	44,127	-	-	94,661	-	256	(38,011)	**101,033**
Closing balances as at December 31, 2023	**(55)**	**5,084**	**15**	**5,044**	**(116,742)**	**-**	**-**	**60,666**	**(33)**	**(72)**	**14,988**	**(41,193)**
Opening balances as at January 1, 2022	**42**	**2,546**	**(11)**	**2,577**	**(184,932)**	**-**	**-**	**(101,115)**	**(33)**	**(208)**	**77,112**	**(209,176)**
Income (loss) for the period	-	-	-	**-**	-	-	-	-	-	-	-	**-**
Other comprehensive income for the period	(33)	35	9	**11**	24,063	-	-	67,120	-	(120)	(24,113)	**66,950**
Closing balances as at December 31, 2022	**9**	**2,581**	**(2)**	**2,588**	**(160,869)**	**-**	**-**	**(33,995)**	**(33)**	**(328)**	**52,999**	**(142,226)**

f) Accounting equity

Accounting equity is detailed as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Capital		
Paid-in capital	1,246,706	1,246,706
Surcharge paid for shares	121,715	121,715
Shares acquired by the Bank	-	-
Reserves		
Other reserves not related to earnings	17,019	17,019
Reserves from earnings	364,386	364,386
Reserves for depreciation of bonds without a fixed maturity term	-	-
Reserves for expiration of bonds without a fixed maturity term	-	-
Accumulated Other Comprehensive Income		
Items that will not be reclassified in results		
New measurements of the liability (asset) for net defined benefits and actuarial results for other employee benefit plans	(55)	9
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income	5,084	2,581
Changes in the fair value of financial liabilities designated at fair value with changes in 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	15	(2)
Items that can be reclassified in results		
Fair value changes of financial assets at fair value through other comprehensive income	(84,897)	(117,047)
Translation differences by entities abroad	-	-
Accounting hedging of net investments in entities abroad	-	-
Cash flow accounting hedge	43,815	(24,816)
Elements not designated of accounting hedge instruments	-	-
Participation in other comprehensive income of entities registered under equity method	(33)	(33)
Non-current assets and disposal groups held for sale	-	-
Other	(74)	(330)
Retained earnings from previous periods	1,436,903	1,095,630
Profit (loss) for the period	407,961	487,533
Provision for minimum dividends, payment of interest and revaluation of issued regulatory capital financial instruments	(122,388)	(146,260)
Provision of a foreign bank branch for remittances of profits to its parent company	-	-
Owner´s equity	3,436,157	3,047,091
From Non-controlling interest	138,821	140,227
Total Equity	**3,574,978**	**3,187,318**

g) Non-controlling interests

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

As at December 31, 2023	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%	114,625	515	(7,212)
CAT Corredores de Seguros y Servicios S.A.	49.00%	10,955	3,324	(1,067)
Servicios Integrales S.A.	49.00%	2,306	580	(497)
Administradora y Procesos S.A.	49.00%	9,960	4,025	(1,056)
Scotia Corredora de Bolsa Chile Limitada	0.01%	9	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	11	1	-
Scotia Asesorías Financieras Ltda.	1.26%	111	79	(174)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	844	79	-
Total		**138,821**	**8,604**	**(10,006)**

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

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

As at December 31, 2023	Income (loss) for the period	Total assets	Total liabilities
	MCh$	MCh$	MCh$
CAT Administradora de Tarjetas S.A.	1,051	1,877,660	1,644,152
CAT Corredores de Seguros y Servicios S.A.	6,784	31,112	11,467
Servicios Integrales S.A.	1,184	6,629	2,397
Administradora y Procesos S.A.	8,215	24,866	7,825
Bandesarrollo Leasing Inmobiliario S.A.	456	18,502	7,306
Scotia Asesorías Financieras Ltda.	6,231	11,567	2,725
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	3,151	41,365	8,658

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

Note 29 Contingencies and commitments

a) Contingent loans

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

Amount for different contingent loans	Contingent loans as at 12/31/2023 MCh$	12/31/2022 MCh$
Guarantees and sureties		
Guarantees and sureties in domestic currency	124,666	349,261
Guarantees and sureties in foreign currency	404,285	342,573
Letters of credit for merchandise circulation operations	143,783	126,288
Debt purchase commitments in local currency abroad	-	-
Transactions related to contingent events		
Transactions related to contingent events in Chilean currency	484,983	546,114
Transactions related to contingent events in foreign currency	167,951	183,672
Unrestricted lines of credit for immediate payment		
Available balance line of credit and agreed overdraft in checking account- commercial portfolio	719,110	684,795
Available balance line of credit on credit card – commercial portfolio	68,577	61,320
Available balance line of credit and agreed overdraft in checking account - consumer portfolio	396,440	410,351
Available balance line of credit on credit card – consumer portfolio	5,087,681	4,710,948
Available balance of line of credit and agreed overdraft in checking account – portfolio owed by banks	-	-
Free disposal lines of credit		
Available balance line of credit and agreed overdraft in checking account – commercial portfolio	-	-
Available balance line of credit in credit card – commercial portfolio	-	-
Available balance line of credit and agreed overdraft in checking account – consumer portfolio	-	-
Available balance line of credit in credit card – consumer portfolio	-	-
Available balance line of credit and agreed overdraft in checking account – portfolio owed by banks	-	-
Other credit commitments		
Credit for senior studies Law No. 20027 (CAE)	16,427	23,630
Other irrevocable credit commitments	74,585	76,249
Other contingent credits	-	-

b) Contingencies

At the issue date of these Consolidated Financial Statements there are legal actions filed against the Bank and its subsidiaries regarding operations inherent to the business. As at December 31, 2023, provisions for legal contingencies amounted to MCh$10,574 (MCh$12,152 as at December 31, 2022), which are part of item "Provisions" in the Consolidated Statements of Financial Position.

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

c) Covenants

The Bank has four current financing contracts entered into with Export Development Canada May 31, 2019 (MUS$200), July 28, 2021 (MUS$100) and July 13, 2022 (MUS$250) and August 9, 2023 (MUS$300). These contracts establish the Bank's compliance with covenants related mainly to the provision of financial and non-financial information, regulatory compliance and compliance with certain obligations such as: compliance with the laws and authorizations necessary to perform its business and operations in general, perform all aspects necessary to preserve, renew and maintain its legal existence in full force and effect. Note that these financing agreements do not require compliance with specific financial ratios.

As at December 31, 2023, the Bank has fully complied with each of the obligations arising from the aforementioned contracts.

d) Responsibilities

The Bank and its subsidiaries have the following responsibilities arising from the normal course of their businesses:

	12/31/2023 MCh$	12/31/2022 MCh$
Documents in collection	67,834	61,857
Transferred financial assets managed by the Bank	1,380,750	1,383,566
Securities in custody	7,709,504	7,061,010
Assets in guarantee	4,149,397	3,623,916
Total	**13,307,485**	**12,130,349**

e) Guarantees due to operations

i) At Scotia Corredora de Bolsa Chile Limitada

For purposes of complying with the provisions of articles No. 30 and No. 31 of Law No.18045, the Company engaged an insurance policy No. 330-23-00034876 from MAPFRE Seguros Generales S.A. equivalent to UF20,000, to secure the proper and full compliance with its obligations as a Stockbroker, covering the period from April 22, 2023 through April 22, 2024.

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

To guarantee the operations of the gross settlement compensation system, collateral securities were delivered to the Bolsa de Comercio de Santiago for MCh$12,433 and MCh$0 in cash as at December 31, 2023 (collateral securities amounting to MCh$12,300 and MCh$0 in cash as at December 31, 2022).

In accordance with the internal regulations of the Stock Exchange, in order to guarantee the proper performance of and compliance with the operations of Stockbrokers, as at December 31, 2023, guarantees were constituted on securities of MCh$2,002 and in cash of MCh$0 in favor of the Bolsa de Comercio de Santiago. In favor of the Bolsa Electrónica de Chile guarantees were established on securities of MCh$488 and in cash of MCh$0 (as at December 31, 2022, guarantees were constituted on securities of MCh$2,031 and in cash of MCh$0 in favor of Bolsa de Comercio de Santiago, and guarantees were constituted on securities in favor of Bolsa Electrónica de Chile of MCh$213 and in cash of MCh$200).

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

As at December 31, 2023, the Company holds collateral for simultaneous transactions of MCh$3,175 in Bolsa de Comercio de Santiago and of MCh$2,526 in Bolsa Electrónica de Chile. (As at December 31, 2022, the Company holds collateral for simultaneous transactions of MCh$1,560 in the Bolsa de Comercio de Santiago and of MCh$905 in the Bolsa Electrónica de Chile), which are held in the Custody Department of Bolsa de Comercio de Santiago or Bolsa Electrónica de Chile).

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

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

iii) At Scotia Corredora de Seguros Chile Limitada

In accordance with the provisions of article No. 58, letter D of DFL 251, as at December 31, 2023, the Company holds insurance policies that protect it from possible damages that could affect it as a result of breaches of the law, regulations and complementary standards that regulate insurance brokers, and especially when the breach arises from acts, errors and omissions by the broker, its representatives, attorneys-in-fact or dependents that participate in the intermediation.

A Series	**:**	**No. 6301424**
Amount	:	UF60.000
In favor of	:	Scotiabank Chile
Purpose	:	To cover in accordance with the general terms of the professional civil liability for insurance brokers, registered with the policy record under POL120130969 of CMF.
Term	:	Up to April 14, 2024

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

Serie A	**:**	**No. 6301416**
Amount	:	UF500
In favor of	:	Scotiabank Chile
Purpose	:	To guarantee the correct fulfillment of the obligations that the insurance broker, identified in this policy as the insured, has reason for its operations as an intermediary in the contracting of insurance in accordance with the standards established in Circular No. 1584 dated December 21 January 2002 of the CMF, under the code POL120130965.
Term	:	Up to April 14, 2024

f) 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 December 31, 2023, the Company maintains contracts with the Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., the following policies, whose validity begins on April 15, 2023 and expires on April 14, 2024, which protect it from possible damages that could affect it as a result of breaches of law, regulations and complementary standards that regulate insurance brokers, and especially when the breach arises from acts, errors and omissions of the broker, their representatives, attorneys-in-fact or dependents entities that participate in the intermediation.

The related documents are the following:

Policy No.	Insured /Contracting	Insured Item	Amount UF
10049440	CAT Corredores de Seguros y Servicios S.A.	Brokers guarantee	500
10049442	CAT Corredores de Seguros y Servicios S.A.	Civil Liability	60,000

g) Guarantees on real estate lease operations

As established in contracts of "Administration of Housing Lease Contracts with Purchase Promise" held by Bandesarrollo 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 Bandesarrollo 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	No. 1	85	Current commercial value
Separated equity BBICS B	No. 2	85	Current commercial value
Separated equity BBICS L	No. 6	85	Current commercial value
Separated equity BBICS F	No. 12	80	Promised price of the original contract
Separated equity BBICS U	No. 21	80	Promised price of the original contract
Separated equity BBICS	No. 22	60	Promised price of the original contract

Note 30 Interest income and expenses

a) Summary of Interest income and expenses

	12/31/2023 MCh$	12/31/2022 MCh$
Interest income	2,471,326	1,796,131
Interest expense	(1,644,295)	(1,081,928)
Subtotal net interest income	**827,031**	**714,203**
Net result of accounting hedges due to interest rate risk	23,930	(68,212)
Total net interest income	**850,961**	**645,991**

b) Detail of Interest income:

	12/31/2023 MCh$	12/31/2022 MCh$
Interest income:		
Financial assets at amortized cost:		
Rights under resale agreements and securities lending agreements	18,341	15,592
Financial debt securities	17,893	-
Loans and advances to banks	19,101	4,246
Commercial loans	1,095,671	784,176
Mortgage loans	454,556	401,070
Consumer loans	661,612	499,459
Other financial instruments	47,341	20,677
Financial assets at fair value through other comprehensive income		
Debt financial instruments	156,811	70,911
Other financial instruments	-	-
Total	**2,471,326**	**1,796,131**

c) Detail of Interest expenses:

	12/31/2023 MCh$	12/31/2022 MCh$
Interest expense:		
Financial liabilities at amortized cost:		
Deposits and other on-demand liabilities	(41,135)	(49,962)
Term and on-demand deposits	(1,206,796)	(745,341)
Liabilities under repurchase arrangements and securities lending	(17,156)	(20,419)
Bank borrowings	(155,965)	(76,789)
Debt financial instruments issued	(179,976)	(147,855)
Other financial liabilities	-	-
Lease liabilities	(4,396)	(4,289)
Issued regulatory capital financial instruments	(38,871)	(37,273)
Total	**(1,644,295)**	**(1,081,928)**

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

	12/31/2023 MCh$	12/31/2022 MCh$
Interest income:		
Result of accounting hedges due to interest rate risk:		
Gain from financial derivative contracts for accounting hedge	71,538	6,268
Loss from financial derivative contracts for accounting hedge	(95,976)	(24,860)
Results from adjustments of hedged financial assets	41,526	(20,242)
Interest expense:		
Result of accounting hedges of interest rate risk:		
Gain from financial derivative contracts for accounting hedge	27,164	355
Loss from financial derivative contracts for accounting hedge	(15,638)	(32,735)
Results from adjustments of hedged financial assets	(4,684)	3,002
Net result of accounting hedges on risk due to interest rate risk	**23,930**	**(68,212)**

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

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

	12/31/2023 MCh$	12/31/2022 MCh$
Owed by banks	-	-
Commercial loans	6,148	4,703
Mortgage loans	13,701	3,645
Consumer loans	11,263	5,882
Total	**31,112**	**14,230**

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

	12/31/2023 MCh$	12/31/2022 MCh$
Owed by banks	-	-
Commercial loans	9,606	5,695
Mortgage loans	7,343	5,234
Consumer loans	1,110	708
Total	**18,059**	**11,637**

Note 31 Indexation income and expenses

a) Summary of Indexation income and expenses:

	12/31/2023 MCh$	12/31/2022 MCh$
Income due to UF adjustments	844,897	2,059,461
Expenses due to UF adjustments	(409,897)	(945,941)
Subtotal net income due to UF adjustment	**435,000**	**1,113,520**
Net result of accounting hedges of risk due to UF adjustments	(64,885)	(622,332)
Total net income due to adjustments	**370,115**	**491,188**

b) Detail of Indexation income:

	12/31/2023 MCh$	12/31/2022 MCh$
Income due to UF adjustments		
Financial assets at amortized cost		
Rights due to repurchase agreements and securities lending	-	-
Debt financial instruments	-	-
Owed by banks	-	-
Commercial loans	190,155	469,986
Mortgage loans	631,910	1,547,146
Consumer loans	627	2,135
Other financial instruments	5,619	12,889
Financial assets at fair value through in other comprehensive income		
Debt financial instruments	16,586	27,305
Other financial instruments	-	-
Total	**844,897**	**2,059,461**

c) Detail of Indexation expenses:

	12/31/2023 MCh$	12/31/2022 MCh$
Expenses due to UF adjustments		
Financial liabilities at amortized cost:		
Deposits and other on-demand obligations	-	-
Deposits and other time deposits	(36,889)	(69,616)
Obligations due to repurchase agreements and securities lending	-	-
Obligations with banks	-	(137)
Debt financial instruments issued	(326,747)	(773,452)
Other financial obligations	-	-
Regulatory capital financial instruments issued:		
Subordinated bonds	(46,261)	(102,736)
Bonds with no fixed maturity term	-	-
Total	**(409,897)**	**(945,941)**

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

	12/31/2023 MCh$	12/31/2022 MCh$
Income due to adjustments:		
Result of accounting hedges due to risk in UF adjustments		
Gain from financial derivative contracts for accounting hedges	112,456	105,778
Loss from financial derivative contracts for accounting hedges	(160,843)	(839,501)
Results from adjustments of hedged financial assets	(9,133)	11,683
Adjustment expenses:		
Result of accounting hedges due to risk in UF adjustments		
Gain from financial derivative contracts for accounting hedges	142,307	101,788
Loss from financial derivative contracts for accounting hedges	(142,856)	(1,463)
Results from adjustment of hedged financial liabilities	(6,816)	(617)
Net result of accounting hedges on risk due to UF adjustments	**(64,885)**	**(622,332)**

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

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

	12/31/2023 MCh$	12/31/2022 MCh$
Owed by banks	-	-
Commercial loans	3,251	2,622
Mortgage loans	2,583	1,722
Consumer loans	12	597
Total	**5,846**	**4,941**

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

	12/31/2023 MCh$	12/31/2022 MCh$
Owed by banks	-	-
Commercial loans	9,179	11,044
Mortgage loans	32,049	24,209
Consumer loans	25	36
Total	**41,253**	**35,289**

Note 32 Fee and commission income and expenses

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

	12/31/2023 MCh$	12/31/2022 MCh$
Commissions due to credits prepayment	3,959	2,528
Commissions due to loans with letters of credit	1,578	1,710
Commissions due to credit lines and overdrafts in checking accounts	1,136	1,306
Commissions due to guarantees and letters of credit	15,719	12,954
Credit card transactions commissions	97,085	94,133
Commissions due to accounts management	22,259	20,333
Commissions due to collections and payments	55,794	51,919
Commissions due to brokerage and securities handling (Stock Brokers and/or Securities Agency	1,750	1,736
Remuneration for administration of mutual funds, investment funds or others	13,728	14,324
Insurance related to the granting of credits to natural persons	35,408	34,959
Insurance not related to the granting of credits to natural persons	13,933	11,676
Insurance related to the granting of credits to legal entities	2,023	631
Insurance not related to the granting of credits to legal entities	433	562
Commissions due to services on factoring operations	65	91
Commissions due to services in financial lease operations	1,026	1,188
Commissions due to deposit and custody of securities	7	15
Commissions due to financial advise	9,051	16,274
Other commissions earned		
Foreign currency exchange	3	4
Issuance of on-demand vouchers	249	281
Issuance of guarantee bills	441	388
Student loan administration	11,462	11,726
Other remuneration for services rendered	8,127	10,840
Total income due to commissions and services rendered	**295,236**	**289,578**
Commissions for card operations	(45,953)	(43,308)
Fees for licensing the use of card brands	(1,307)	(967)
Expenses due to obligations on loyalty programs and merits for cardholders	(21,956)	(19,061)
Securities trading commissions	(4,424)	(3,765)
Other commissions for services received		
Commissions by correspondent banks in the country and abroad	(117)	(112)
Commissions for electronic fund transfer services	(16,863)	(16,128)
Other subsidiary commissions	(1,699)	(771)
Other	(5,251)	(4,531)
Total expenses due to commissions and services rendered	**(97,570)**	**(88,643)**
Total net income due to commissions	**197,666**	**200,935**

Note 33 Net financial result

The detail of this line item is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Income from financial assets to be traded at fair value through profit or loss		
Financial derivative contracts	6,402,789	10,050,154
Debt financial instruments	28,264	32,041
Other financial instruments:		
Investments in mutual funds	6,549	6,313
Equity instruments	1,514	692
Credits originated and acquired by the entity	-	-
Other	144	200
Result from financial liabilities to be traded at fair value through profit or loss		
Financial derivative contracts	(6,253,318)	(9,974,172)
Other financial instruments:	-	-
Subtotal	**185,942**	**115,228**
Financial result for financial assets not intended for trading mandatorily valued at fair value through profit or loss	-	-
Financial result for financial assets and liabilities designated at fair value through profit or loss	-	-
Financial result from derecognising financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income		
Financial assets at amortized cost	7,354	6,553
Financial assets at fair value through other comprehensive income	935	(655)
Subtotal	**8,289**	**5,898**
Financial results for changes readjustments and accounting hedging of foreign currency		
Foreign currency exchange result	(92,798)	(55,102)
Results for adjustments on exchange rate		
Financial assets at amortized cost	3,264	1,633
Net result of derivatives in accounting hedges of foreign currency risk	(298)	(7,309)
Subtotal	**(89,832)**	**(60,778)**
Financial result from reclassifications of financial assets due to a change in business model	-	-
Other financial result from changes in financial assets and liabilities	-	-
Other result from ineffective cash flow accounting hedges		
Result from ineffective cash flow accounting hedges	(2,918)	3,216
Other financial result from other types of accounting hedges	-	-
Subtotal	**(2,918)**	**3,216**
Net financial result	**101,481**	**63,564**

Note 34 Gain or loss from investments in companies

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

	Country	12/31/2023 MCh$	12/31/2022 MCh$
Companies with significant influence in the country			
Transbank S.A.	Chile	5,606	6,086
Subtotal		**5,606**	**6,086**
Minority investments in other local companies			
Bolsa de Comercio de Santiago	Chile	34	330
Sociedad de Infraestructura de Mercado S.A.	Chile	597	-
Bolsa Electrónica de Chile	Chile	15	8
Sociedad Interbancaria de Depósitos de Valores	Chile	76	67
Combanc S.A.	Chile	28	12
Subtotal		**750**	**417**
Minority investments in other companies abroad			
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	6	10
Subtotal		**6**	**10**
Total income from investments in companies		**6,362**	**6,513**

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

Non-current assets result detail is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Result from assets received in lieu of payment or legally adjudicated		
Result from the sale of assets received in payment or legally awarded with non-related third parties	4,967	5,210
Other income from assets received in payment or legally awarded through auctions	419	544
Provisions for adjustments to the net realizable value of assets received in payment or legally adjudicated through auctions	(1,365)	(874)
Write-offs of assets received in payment or adjudicated in legal auctions	(3,324)	(4,535)
Expenses for maintenance of assets received in payment or awarded in legal auctions	(650)	(537)
Non-current assets held for sale		
Investments in companies	79	1,741
Property, equipment	719	2,697
Disposal groups available for sale	-	-
Total	**845**	**4,246**

Note 36 Other operating income and expenses

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

	12/31/2023 MCh$	12/31/2022 MCh$
Other operating income		
Compensation from insurance companies for claims other than operational risk events	-	-
Net income from investment properties	-	-
Income received from credit card brands (VISA, MC etc.)	7,059	5,297
Income from correspondent banks	-	-
Income other than interest and commissions from lease contracts	505	1,080
Income due to reimbursements of expenses	10,705	8,469
Other income		
Various income from leasing operations	2,122	2,464
Lease received	33	-
Income from consultancies	6	1,277
Recovery of expenses	-	360
Sundry income from subsidiaries	3,946	4,236
Compensation received	20,162	-
Other operating income	6,257	1,409
Total other operating income	**50,795**	**24,592**
Other operating expenses		
Expenditure of insurance premiums to cover operational risk events	-	-
Gross loss expense due to operational risk events	1,030	(1,030)
Recoveries of expenses due to operational risk events	2,693	1,411
Expense of provisions for unearned insurance brokerage commissions	-	-
Expense of provisions for unearned insurance premium collection commissions	-	-
Provisions for restructuring plans	(13,722)	-
Provisions from trials and litigation	104	(1,279)
Other provisions for other contingencies	(119)	616
Expenses for credit operations of financial leasing	(1,626)	(823)
Expenses for factoring credit operations	(33)	(41)
Expenses for administration, maintenance and support of automatic teller machines (ATM)	-	-
Expenses for adoption of new card technologies	-	-
Expenses for issuance of financial instruments of regulatory capital	-	-
Other operating expenses		
Expenses for provisions of securitized bonds	(6,919)	(10,788)
Operational risk expenses	(11,874)	(11,359)
Write-offs due to business decisions	(1,855)	(854)
Correspondent bank expenses	(1,645)	(2,757)
Clearing Chamber Services	(2,096)	(1,991)
Expenses for legal advents	(717)	(501)
Other operating expenses Subsidiaries	(11,350)	(4,496)
Other operating expenses	(1,307)	(790)
Total other operating expenses	**(49,436)**	**(34,682)**
Total	**1,359**	**(10,090)**

Note 37 Expenses for employee benefit obligations

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

	12/31/2023 MCh$	12/31/2022 MCh$
Expenses due to short-term benefits to employees	289,311	260,926
Post-employment employee benefit expense	-	-
Expenses due to long-term benefits to employees	2,305	903
Expenses for employee benefits due to termination of employment contract	14,254	11,075
Expenses for payments to employees based on shares or equity instruments	-	-
Expenses for obligations for defined contribution post-employment plans	-	-
Expenses for obligations for post-employment defined benefit plans	-	-
Expenses for other personnel obligations	-	-
Other staff expenses	1,548	1,573
Total expenses due to obligations on benefits to employees	**307,418**	**274,477**

Note 38 Administrative expenses

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

	12/31/2023 MCh$	12/31/2022 MCh$
Administration overheads		
Expenses for short-term lease contracts	5,064	4,809
Expenses for low-value leases	-	-
Other expenses of obligations for lease contracts	303	285
Maintenance and repair of property and equipment	6,178	6,739
Insurance premiums except to cover operational risk events	3,669	4,854
Office supplies	1,551	1,565
IT and communication expenses	53,346	52,583
Electricity , heating and other services	2,542	2,541
Security patrol and security transport services	3,425	3,510
Personnel representation and travel expenses	1,091	1,001
Legal and notary expenses	13,064	10,246
Fees for review and audit of the financial statements by the external auditor	1,311	1,197
Fees for advice and consultancies carried out by the external auditor	-	-
Fees for advice and consultancies carried out by other audit firms	-	-
Title Classification Fees	-	-
Fees for other technical reports	1,946	2,976
Fines applied by CMF	4	119
Fines applied by other organizations	128	98
Other administration overhead expenses		
Common expenses buildings	3,804	3,575
Contribution Banks Association	56	131
External consultancies	33,657	28,097
Services Santiago Stock Exchange	1,126	1,018
Telemarketing services	6,492	5,655
Card distribution servicing	1,707	1,266
External consultancies Subsidiaries	-	-
Other general administrative expenses	5,383	5,204
Outsourced services		
Data processing	1,157	818
Technological development, certification and technological testing service	175	165
External service for the administration of human resources and supply of outsourced personnel	1,943	2,015
Appraisal service	-	-
Call Center service for sales, marketing, quality control, customer service	3,201	2,812
Outsourced collection service	14,296	8,394
Outsourced ATM administration and maintenance service	1,569	3,252
Outsourced cleaning service, casino, custody of files and documents, storage of furniture and equipment	3,170	3,866
Product sales and distribution services	-	-
Outsourced credit evaluation service	-	-
Other outsourced		
IT and communications expenses	14,668	12,923
Other Services subcontracted by Subsidiaries	18,033	18,974
Other/Scotia Servicios Corporativos SpA	1,571	8,539
Other outsourced services	2,358	889
Board expenses	802	1,164
Advertising	16,002	14,746
Taxes, contributions and other legal charges	16,298	14,500
Total administrative expenses	**241,090**	**230,526**

Note 39 Depreciation and amortization

The detail of this line item is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Amortization of intangible assets		
Other intangible assets arising from business combinations	9,228	9,228
Other intangible assets arising independently	30,723	23,888
Depreciation of Property and Equipment		
Building and Land	1,613	1,637
Other fixed assets	10,590	11,231
Amortization and depreciation of right-of-use asset under lease		
Building and Land		
Building	12,342	11,990
Other fixed assets	-	-
Depreciation for improvements in leased real estate as assets for the right to use leased property	2,418	2,609
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	**66,914**	**60,583**

Note 40 Impairment of non-financial assets

The detail of this line item is as follows:

	12/31/2023 MCh$	12/31/2022 MCh$
Impairment of investments in companies	-	-
Impairment of intangible assets	264	38
Impairment of Property and Equipment	-	546
Impairment of assets for the right to use leased assets	-	-
Impairment of assets for investment properties	-	-
Impairment of revenue assets due to regular activities arising from contracts with customers	-	-
Gain from an acquisition through a highly advantageous business combination	-	-
Total impairment of non-financial assets	**264**	**584**

Note 41 Credit loss expense

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

a) Credit loss expense

	12/31/2023 MCh$	12/31/2022 MCh$
Expenses on allowances due to credit risk on loans	(493,988)	(382,709)
Expense on special allowances due to credit risk	(1,467)	13,120
Recovery of written-off loans	76,228	69,980
Impairment due to credit risk of other financial assets at amortized cost	(2,788)	(4)
Impairment due to credit risk of financial assets at fair value with changes in other comprehensive income	89	(47)
Total	**(421,926)**	**(299,660)**

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 As at December 31, 2023 (MCh$)	Expense of allowances due to loans in the period							
	Regular portfolio evaluation		Substandard portfolio evaluation	Default portfolio evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Individual	Group	Individual	Individual	Group			
Owed by banks								
Constitution de provisions	(73)	-	-	-	-	**(73)**		
Release of allowances	65	-	-	-	-	**65**		
Subtotal	**(8)**	**-**	**-**	**-**	**-**	**(8)**	**-**	**(8)**
Commercial loans								
Constitution de provisions	(138,261)	(21,041)	(55,592)	(90,577)	(62,063)	**(367,534)**	(44)	**(367,578)**
Release of allowances	133,284	24,441	56,987	30,223	22,588	**267,523**	4,844	**272,367**
Subtotal	**(4,977)**	**3,400**	**1,395**	**(60,354)**	**(39,475)**	**(100,011)**	**4,800**	**(95,211)**
Mortgage loans								
Constitution de provisions	-	(13,544)	-	-	(18,474)	**(32,018)**		
Release of allowances	-	13,886	-	-	4,502	**18,388**		
Subtotal	**-**	**342**	**-**	**-**	**(13,972)**	**(13,630)**	**-**	**(13,630)**
Consumer loans								
Constitution de provisions	-	(100,174)	-	-	(428,707)	**(528,881)**		
Release of allowances	-	89,331	-	-	54,411	**143,742**		
Subtotal	**-**	**(10,843)**	**-**	**-**	**(374,296)**	**(385,139)**	**-**	**(385,139)**
Expense of allowances constituted for loan credit risk	**(4,985)**	**(7,101)**	**1,395**	**(60,354)**	**(427,743)**	**(498,788)**	**4,800**	**(493,988)**
Recoveries of written-off loans								
Owed by banks								-
Commercial loans								18,835
Mortgage loans								7,625
Consumer loans								49,768
Subtotal								**76,228**
Expense due to credit loss on loans								**(417,760)**

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

c) Expense for credit risk special allowances

Summary of expenses due to credit risk special allowances in the period	12/31/2023 MCh$	12/31/2022 MCh$
Allowances expense due to contingent loans	**(1,299)**	**(7,109)**
Owed by banks	-	-
Commercial loans	(618)	(4,447)
Consumer loans	(681)	(2,662)
Allowances expense due to country risk for operations with debtors domiciled abroad	**(168)**	**(1,284)**
Expense due to special allowances for credits abroad	**-**	**-**
Expense due to additional allowances for credits	**-**	**21,513**
Commercial loans	-	11,423
Mortgage loans	-	8,526
Consumer loans	-	1,564
Expense due to adjustment allowances to minimum allowances required for regular portfolio with individual evaluation	**-**	**-**
Expense due to other special allowances constituted for credit risk	**-**	**-**

Note 42 Gain or loss from discontinued operations

As at December 31, 2023 and 2022, the Bank does not have this type of operations.

Note 43 Related party disclosures

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

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

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

a) Assets and liabilities for transactions with related parties

Type of current assets and liabilities with related parties according to IAS24 As at December 31, 2023 (in MCh$)	Type of related party				
	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
ASSETS					
Financial assets to be traded at fair value through profit or loss:					
Financial derivative contracts	1,959,467	752	-	-	**1,960,219**
Debt financial instruments	-	-	-	-	**-**
Financial assets not intended for mandatorily trading at fair value through profit or loss	-	-	-	-	**-**
Financial assets designated at fair value through profit or loss	-	-	-	-	**-**
Financial assets at fair value through other comprehensive income	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	75,380	-	-	-	**75,380**
Financial assets at amortized cost:					
Rights for repurchase arrangements and securities lending	-	-	-	-	**-**
Debt financial instruments	-	-	-	-	**-**
Commercial loans	-	-	3,298	313,577	**316,875**
Mortgage loans	-	-	16,755	117,384	**134,139**
Consumer loans	-	-	2,676	19,632	**22,308**
Allowances constituted- Loans	-	-	(85)	(1,956)	**(2,041)**
Other assets	860	-	-	-	**860**
Contingent loans	13,486	29,998	3,626	32,221	**79,331**

LIABILITIES					
Financial liabilities to be traded at fair value through profit or loss:					
Financial derivative contracts	1,327,914	5,372	-	-	**1,333,286**
Financial liabilities designated at fair value through profit or loss	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	185,522	-	-	-	**185,522**
Financial liabilities at amortized cost:					
Term and on-demand deposits	2,050	1,039	1,479	65,850	**70,418**
Deposits and other term deposits	-	-	10,584	72,529	**83,113**
Liabilities with repurchase arrangements and securities lending	-	-	-	-	**-**
Obligations with banks	-	-	-	-	**-**
Debt financial instruments issued	-	-	-	-	**-**
Other financial obligations	-	-	-	-	**-**
Lease contracts obligations	-	-	-	744	**744**
Other liabilities	7,057	-	-	192	**7,249**

Type of current assets and liabilities with related parties according to IAS24 As at December 31, 2022 (in MCh$)	Type of related party				
	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
ASSETS					
Financial assets to be traded at fair value through profit or loss:					
Financial derivative contracts	2,302,138	-	-	728	**2,302,866**
Debt financial instruments	-	-	-	-	**-**
Financial assets not intended for mandatorily trading at fair value through profit or loss	-	-	-	-	**-**
Financial assets designated at fair value through profit or loss	-	-	-	-	**-**
Financial assets at fair value through other comprehensive income	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	51,529	-	-	-	**51,529**
Financial assets at amortized cost:					
Rights for repurchase arrangements and securities lending	-	-	-	-	**-**
Debt financial instruments	-	-	-	-	**-**
Commercial loans	-	-	2,801	335,846	**338,647**
Mortgage loans	-	-	15,832	103,941	**119,773**
Consumer loans	-	-	2,288	18,185	**20,473**
Allowances constituted- Loans	-	-	(84)	(1,925)	**(2,009)**
Other assets	68	-	-	-	**68**
Contingent loans	19,380	29,994	4,242	31,436	**85,052**

LIABILITIES					
Financial liabilities to be traded at fair value through profit or loss:					
Financial derivative contracts	1,645,519	-	-	25,388	**1,670,907**
Financial liabilities designated at fair value through profit or loss	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	179,322	-	-	-	**179,322**
Financial liabilities at amortized cost:					
Term and on-demand deposits	796	1,046	1,784	66,272	**69,898**
Deposits and other term deposits	-	-	10,185	155,526	**165,711**
Liabilities with repurchase arrangements and securities lending	-	-	-	-	**-**
Obligations with banks	-	-	-	-	**-**
Debt financial instruments issued	-	-	-	-	**-**
Other financial obligations	-	-	-	-	**-**
Lease contracts obligations	-	-	-	781	**781**
Other liabilities	5,120	-	-	1,591	**6,711**

b) Income and expenses for transactions with related parties

Type of income and expenses from transactions with related parties according to IAS24 As at December 31, 2023 (in MCh$)	Type of related party				
	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
Interest income	-	21	520	19,999	**20,540**
Adjustments income	-	-	897	14,269	**15,166**
Commission Income	-	160	98	2,281	**2,539**
Net financial income	33,955	-	1	(5,414)	**28,542**
Other income	-	-	7	81	**88**
Total income	**33,955**	**181**	**1,523**	**31,216**	**66,875**
Interest expenses	-	-	(791)	(13,720)	**(14,511)**
Adjustment expenses	-	-	(58)	(355)	**(413)**
Commission expenses	(8)	(9,091)	(38)	(11,292)	**(20,429)**
Credit loss expense	-	-	(5)	(735)	**(740)**
Expenses for employee benefit obligations	-	-	(22,721)	-	**(22,721)**
Administration expenses	(14,805)	(142)	-	(5,664)	**(20,611)**
Other expenses	-	-	-	(660)	**(660)**
Total expenses	**(14,813)**	**(9,233)**	**(23,613)**	**(32,426)**	**(80,085)**

Type of income and expenses from transactions with related parties according to IAS24 As at December 31, 2022 (in MCh$)	Type of related party				
	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
Interest income	-	1	425	19,689	**20,115**
Adjustments income	-	-	2,022	28,635	**30,657**
Commission Income	-	163	115	873	**1,151**
Net financial income	(86,054)	-	4	(1,800)	**(87,850)**
Other income	-	647	310	8,894	**9,851**
Total income	**(86,054)**	**811**	**2,876**	**56,291**	**(26,076)**
Interest expenses	-	-	(382)	(11,197)	**(11,579)**
Adjustment expenses	-	-	(178)	(2,487)	**(2,665)**
Commission expenses	(3)	(8,138)	(49)	(9,239)	**(17,429)**
Credit loss expense	-	(7)	16	(864)	**(855)**
Expenses for employee benefit obligations	-	-	(20,774)	(11)	**(20,785)**
Administration expenses	(17,675)	-	-	(12,992)	**(30,667)**
Other expenses	(8,307)	-	(16)	(752)	**(9,075)**
Total expenses	**(25,985)**	**(8,145)**	**(21,383)**	**(37,542)**	**(93,055)**

c) Individual transactions with related parties

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

Company name	Nature of relationship with the bank	Transaction description: Type of service	Transaction description: Term	Transaction description: Renewal conditions	Transactions in conditions of equivalence to those transactions with mutual independence between the parties	As at December 31, 2023: Amount	Effect on income statement: Income	Effect on income statement: Expenses	Effect in Statement of Financial Position: Accounts receivable	Effect in Statement of Financial Position: Accounts payable
						MCh$	MCh$	MCh$	MCh$	MCh$
Azurian Tecnología Limitada	Other related parties	Facial Biometrics Service	1 year	Automatic renewal	Conditions equivalent to the market on the date these were made	1,195	-	1,195	-	-
Inmobiliaria Mall Viña del Mar S.A	Other related parties	Lease of property for branch	6 years	Automatic renewal for 5 years	Conditions equivalent to the market on the date these were made	136	-	43	-	-
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	643	-	643	-	-
Redbanc S.A.	Other related parties	Money dispensing services and delivery of information and data through ATMs	5 years	Automatic renewal for 3 years	Conditions equivalent to the market on the date these were made	5,251	-	5,109	-	-
Nexus Payment Systems SpA	Other related parties	Credit Card operation service	2 years	Automatic renewal	Conditions equivalent to the market on the date these were made	8,867	-	7,853	-	-
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	4,058	-	2,098	-	-
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	1,263	-	1,263	-	-
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	24,910	11,500	13,398	-	12
The Bank of Nova Scotia	Parent	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	3,291	3,291	-	-	-
The Bank of Nova Scotia	Parent	Technology and project services	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	17,156	-	13,758	-	3,398
Scotiabank Perú S.A.	Other related parties	Regional Technological Support.	Undefined	Automatic renewal	Conditions equivalent to the market on the date these were made	2,328	-	1,344	-	-

Company name	Nature of relationship with the bank	Transaction description – Type of service	Term	Renewal conditions	Transactions in conditions of equivalence to those transactions with mutual independence between the parties	As at December 31, 2022 – Amount MCh$	Effect on income statement – Income MCh$	Effect on income statement – Expenses MCh$	Effect in Statement of Financial Position – Accounts receivable MCh$	Effect in Statement of Financial Position – 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	521	-	521	-	-
Inmobiliaria Mall Viña del Mar S.A	Other related parties	Lease of property for branch	6 years	Automatic renewal for 5 years	Conditions equivalent to the market on the date these were made	108	-	108	-	-
Sociedad Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A	Other related parties	Compensation service on discharged operations	Undefined	Automatic renewal	Conditions equivalent to the market on the date these were made	561	-	561	-	-
Redbanc S.A.	Other related parties	Currency App software infrastructure and license update - Financial portability and Windows 7 Operating System in ATM	NA	Not applicable	Conditions equivalent to the market on the date these were made	504	-	53	-	-
Redbanc S.A.	Other related parties	Money dispensing services and delivery of information and data through ATMs	5 years	Automatic renewal for 3 years	Conditions equivalent to the market on the date these were made	3,779	-	3,734	-	45
Operadora de Tarjetas de Crédito Nexus S.A.	Other legal entity	Credit Card Operation Service	2 years	Automatic renewal	Conditions equivalent to the market on the date these were made	7,398	-	6,690	-	49
Servicios Regionales Tecnología Scotiabank Ltda.	Other related parties	Consulting services, technological support and projects	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	6,215	-	3,396	-	-
Scotia Servicios Corporativos SpA	Other related parties	Consulting services, technological support and projects	10 years	Automatic renewal	Conditions equivalent to the market on the date these were made	8,190	-	8,190	-	-
Scotia Servicios Corporativos SpA.	Other related parties	Provision of services (legal advice, accounting, management control, audit)	Undefined	Undefined	Conditions equivalent to the market on the date these were made	349	-	349	-	-
Transbank S.A.	Other legal entity	Credit Card Operation Service	2 years	Automatic renewal	Conditions equivalent to the market on the date these were made	27,733	17,439	10,282	-	12
The Bank of Nova Scotia	Parent	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	4,102	3,981	-	121	-
The Bank of Nova Scotia	Parent	Technology and project services	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	16,768	-	16,768	-	-
Scotiabank Perú S.A.	Other related parties	Regional Technological Support.	Undefined	Automatic renewal	Conditions equivalent to the market on the date these were made	1,279	-	988	-	-

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

	12/31/2023 MCh$	12/31/2022 MCh$
Board:		
Payment of remunerations and allowances of the Board of Directors - Bank and Bank subsidiaries	802	1,164
Subtotal	**802**	**1,164**
Key personnel of the Bank´s Management and Subsidiaries:		
Short-term payment for employee benefits	21,285	19,197
Payment of post-employment benefits to employees	-	-
Long-term payment for employee benefits	167	82
Payments for benefits to employees for contract termination	467	331
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	**21,919**	**19,610**
Total	**22,721**	**20,774**

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

	No. of Executives	
	12/31/2023	12/31/2022
Board		
Directors - Bank and Bank´s Subsidiaries	8	10
Key personnel of the Bank´s Management and Subsidiaries		
General Manager - Bank	1	1
General Managers - Bank´s subsidiaries	10	10
Division/Area Managers - Bank	63	69
Division/Area Managers - Bank´s Subsidiaries	18	18
Total	**100**	**108**

Note 44 Fair Value of financial assets and liabilities

Determination of the fair value of financial instruments

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

	Note	Recorded amount 12/31/2023 MCh$	Estimated fair value 12/31/2023 MCh$
ASSETS			
Cash and deposits in banks	7	1,209,884	1,209,884
Transactions pending settlement	7	389,141	389,141
Financial assets to be traded at fair value through profit or loss			
Financial derivatives contracts	8	5,694,324	5,694,324
Debt financial instruments	8	193,820	193,820
Other	8	56,197	56,197
Financial assets at fair value through other comprehensive income			
Debt financial instruments	11	2,188,905	2,188,905
Financial derivative contracts for accounting hedge	12	317,308	317,308
Financial assets at amortized cost			
Rights for repurchase arrangements and securities loan	13	226,394	225,559
Debt financial instruments	13	1,387,601	1,386,004
Owed by banks	13	25,223	25,223
Loans and accounts receivable from customers - Commercial	13	13,738,775	13,671,515
Loans and accounts receivable from customers - Mortgage	13	13,846,343	11,794,649
Loans and accounts receivable from customers - Consumer	13	3,814,689	3,826,427
Securitized bonds		13,268	13,113
LIABILITIES			
Transactions pending settlement	7	333,372	333,372
Financial liabilities to be traded at fair value through profit or loss			
Financial derivatives contracts	21	4,606,750	4,606,750
Financial derivative contracts for accounting hedge	12	1,455,656	1,455,656
Financial liabilities at amortized cost			
Deposits and other on-demand obligations	22	4,850,696	4,848,811
Deposits and other time deposits	22	13,181,368	13,368,736
Obligations for repurchase arrangements and securities loans	22	163,647	163,647
Obligations with banks	22	5,368,647	5,215,123
Debt financial instruments issued	22	8,186,492	7,811,727
Other financial obligations	22	156,392	156,392
Issued regulatory capital financial instruments	23	1,201,214	1,216,408

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

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

Analysis and explanation of calculations

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

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

Fair value measurement and hierarchy

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

- **Level 1**: inputs correspond to quoted prices without adjustment or with a defined quote frequency that allows the reasonableness of the fair value of the instrument at all times. Instruments and criteria defined are the following:

  a) Local sovereign debt securities issued by Banco Central de Chile or the Chilean Treasury, which meet the following two criteria:
     - The instrument has been traded during 15 days of the last month.
     - The instrument has been traded during 2 of the last 3 days prior to the date of generation of the report.
  b) Domestic equity securities traded in a stock exchange.
  c) Local mutual funds with unit values published daily by the regulator (CMF).
  d) Treasury Bonds and Treasury Bills.

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

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

- **Level 2**: These are financial instruments whose fair value is realized with variables other than the prices quoted in Level 1 that are observable for the asset or liability, directly (i.e., as prices) or indirectly (i.e., derived from prices). In this category, instruments are measured through the discount of contractual cash flows based on a zero-coupon curve determined through the prices of instruments with similar features and issuer risk. Instruments and criteria defined are the following:

  a) Local Government debt securities that do not meet the requirements defined for Level 1.
  b) Corporate debt securities.
  c) Domestic equity securities not complying with the requirement of being traded in the stock market defined by Bolsa de Santiago.

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

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

  a) Housing lease bonds (BVL).
  b) Local and foreign investment funds.
  c) Domestic equity securities of private companies (limited liability companies).

The level in the hierarchy into which a measurement is classified is based on the lowest level of input that is significant to the fair value measurement in its entirety. The table below presents the assets and liabilities that are measured at fair value on a recurring basis as at December 31, 2023 and 2022:

As at December 31, 2023	Carrying amount	Fair value measures		
		Level 1	Level 2	Level 3
	MCh$	MCh$	MCh$	MCh$
Assets				
Financial assets to be traded at fair value through profit or loss	5,944,341	56,197	5,888,144	-
Financial assets at fair value with changes in other comprehensive income	2,188,905	-	2,188,905	-
Financial derivative contracts for accounting hedge	317,308	-	317,308	-
Securitized bonds	13,268	-	-	13,113
Total assets	**8,463,822**	**56,197**	**8,394,357**	**13,113**
Liabilities				
Financial derivative contracts	4,606,750	-	4,606,750	-
Financial derivative contracts for accounting hedge	1,455,656	-	1,455,656	-
Total liabilities	**6,062,406**	**-**	**6,062,406**	**-**

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

Sensitivity analysis for financial instruments under Level 3

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

As at December 31, 2023	Valuation technique	Significant unobservable data	Range of estimates for unobservable data	Changes in fair value from reasonably possible alternatives(in MCh$)
Other assets				
Securitized bonds	Comparable in the market	Market TIR	+1% -1%	(336) 352

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

Note 45 Maturity per remaining balances of financial assets and liabilities

The detail of this line item is as follows:

As at December 31, 2023	Note No.	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 month MCh$	More than 3 months up to 1 year MCh$	More than 1 up 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Cash and deposits in banks	7	1,209,884	-	-	-	-	-	-	**1,209,884**
Transactions pending settlement	7	389,141	-	-	-	-	-	-	**389,141**
Financial assets to be traded at fair value through profit or loss									
Financial derivative contracts (1)	8	-	283,840	352,034	834,023	1,481,089	963,671	1,779,667	**5,694,324**
Debt financial instruments (2)	8	-	2,200	2,317	147,166	16,868	9,384	15,885	**193,820**
Other	8	45,946	10,251	-	-	-	-	-	**56,197**
Financial assets at fair value through other comprehensive income									
Debt financial instruments (2)	11	772	-	49,190	504,000	834,972	59,377	740,594	**2,188,905**
Other	11	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	12	-	856	6,860	66,205	105,350	43,588	94,449	**317,308**
Financial assets at amortized cost									
Rights for repurchase arrangements and securities loans	13	-	208,948	16,589	857	-	-	-	**226,394**
Debt financial instruments	13	-	-	-	1,359,475	-	-	28,126	**1,387,601**
Owed by banks	13	244	19,805	4,884	290	-	-	-	**25,223**
Loans and accounts receivable from customers (3)	13	1,805,991	1,356,736	2,080,750	5,123,069	5,657,477	3,762,840	12,319,466	**32,106,329**
Total financial assets		**3,451,978**	**1,882,636**	**2,512,624**	**8,035,085**	**8,095,756**	**4,838,860**	**14,978,187**	**43,795,126**
Transactions pending settlement	7	333,372	-	-	-	-	-	-	**333,372**
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	-	181,377	197,424	647,825	1,220,546	875,623	1,483,955	**4,606,750**
Other	21	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge (1)	12	-	21,292	74,350	117,327	499,482	338,222	404,983	**1,455,656**
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	4,838,095	12,601	-	-	-	-	-	**4,850,696**
Deposits and other term deposits	22	599,346	5,775,604	2,225,052	3,692,406	888,846	88	26	**13,181,368**
Obligations for repurchase arrangements and securities lending	22	52,515	107,601	3,531	-	-	-	-	**163,647**
Obligations with banks	22	4,366	12,908	318,601	4,272,453	279,658	480,661	-	**5,368,647**
Debt financial instruments issued	22	1,022	3,515	145,583	862,991	2,348,089	1,271,363	3,553,929	**8,186,492**
Other Financial Obligations	22	53,212	47,532	36,202	19,281	165	-	-	**156,392**
Obligations for lease contracts	17	-	921	2,600	8,217	22,044	22,908	92,618	**149,308**
Regulatory capital financial instruments issued	23	-	-	1,298	-	513	67,014	1,132,389	**1,201,214**
Total financial liabilities		5,881,928	6,163,351	3,004,641	9,620,500	5,259,343	3,055,879	6,667,900	**39,653,542**
Net financial position		(2,429,950)	(4,280,715)	(492,017)	(1,585,415)	2,836,413	1,782,981	8,310,287	**4,141,584**

As at December 31, 2022	Note No.	On-demand MCh$	Up to 1 month MCh$	More than 1 up to 3 month MCh$	More than 3 months up to 1 year MCh$	More than 1 up 3 years MCh$	More than 3 up to 5 years MCh$	More than 5 years MCh$	Total MCh$
Cash and deposits in banks	7	1,268,178	-	-	-	-	-	-	**1,268,178**
Transactions pending settlement	7	520,362	45,059	-	-	-	-	-	**565,421**
Financial assets to be traded at fair value through profit or loss									
Financial derivative contracts (1)	8	-	311,669	542,111	1,019,701	1,739,851	1,186,858	2,013,103	**6,813,293**
Debt financial instruments (2)	8	-	3,054	142,355	176,890	43,657	29,835	23,548	**419,339**
Other	8	91,938	3,501	-	-	-	-	-	**95,439**
Financial assets at fair value through other comprehensive income									
Debt financial instruments (2)	11	-	194,207	297,052	118,581	323,659	596,187	830,957	**2,360,643**
Other	11	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge	12	-	-	5,358	52,034	82,253	118,168	137,298	**395,111**
Financial assets at amortized cost									
Rights for repurchase arrangements and securities loans	13	-	210,014	5,116	1,846	-	-	-	**216,976**
Debt financial instruments	13	-	-	-	-	-	-	-	**-**
Owed by banks	13	19,896	28,872	15,806	2,256	-	-	-	**66,830**
Loans and accounts receivable from customers (3)	13	1,109,851	1,994,721	2,591,729	5,101,349	5,739,599	4,042,549	12,588,986	**33,168,784**
Total financial assets		**3,010,225**	**2,791,097**	**3,599,527**	**6,472,657**	**7,929,019**	**5,973,597**	**15,593,892**	**45,370,014**
Transactions pending settlement	7	480,579	30,064	-	-	-	-	-	**510,643**
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	-	333,840	437,102	986,809	1,312,993	1,148,866	1,993,402	**6,213,012**
Other	21	-	-	-	-	-	-	-	**-**
Financial derivative contracts for accounting hedge (1)	12	-	23,191	83,893	92,357	342,230	537,008	458,201	**1,536,880**
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	5,070,463	5,996	-	-	-	-	-	**5,076,459**
Deposits and other term deposits	22	82,236	5,416,334	3,178,905	3,847,716	1,370,024	77,124	49	**13,972,388**
Obligations for repurchase arrangements and securities lending	22	-	205,943	-	-	-	-	-	**205,943**
Obligations with banks	22	35,252	59,506	413,697	1,259,604	3,276,583	297,570	-	**5,342,212**
Debt financial instruments issued	22	1,156	3,850	461,129	737,932	1,762,710	1,711,935	3,028,453	**7,707,165**
Other Financial Obligations	22	51,442	29,235	25,601	13,912	35	-	-	**120,225**
Obligations for lease contracts	17	-	939	2,668	8,424	22,709	23,537	102,099	**160,376**
Regulatory capital financial instruments issued	23	-	-	-	-	3,085	80,050	904,808	**987,943**
Total financial liabilities		5,721,128	6,108,898	4,602,995	6,946,754	8,090,369	3,876,090	6,487,012	**41,833,246**
Net financial position		(2,710,903)	(3,317,801)	(1,003,468)	(474,097)	(161,350)	2,097,507	9,106,880	**3,536,768**

(1) The maturity amounts were determined based on the fair values (MTM) of the financial instruments.
(2) The maturity amounts were determined based on the nominal values of the financial instruments.
(3) Gross loans, without considering provisions for credit risk.

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	$	UF	Adjustable Exchange Rate	US$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total
						As at December 31, 2023							
	No.	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash and deposits in banks	7	772,612	-	-	407,613	-	3,221	15,956	1,266	400	730	8,086	1,209,884
Transactions pending settlement	7	213,087	-	-	160,498	-	8,740	3,531	-	-	582	2,703	389,141
Financial assets to be traded at fair value through profit or loss	8	5,786,424	120,259	-	37,658	-	-	-	-	-	-	-	5,944,341
Financial assets at fair value through other comprehensive income	11	1,759,754	367,059	-	36,130	-	-	25,962	-	-	-	-	2,188,905
Financial derivative contracts for accounting hedge	12	317,308	-	-	-	-	-	-	-	-	-	-	317,308
Financial assets at amortized cost	13	9,704,638	18,431,124	128,171	4,736,663	-	-	27,805	-	6,279	4,346	(1)	33,039,025
Total financial assets		**18,553,823**	**18,918,442**	**128,171**	**5,378,562**	**-**	**11,961**	**73,254**	**1,266**	**6,679**	**5,658**	**10,788**	**43,088,604**
Transactions pending settlement	7	153,417	-	-	163,769	-	7,588	7,155	-	-	359	1,084	333,372
Financial liabilities to be traded at fair value through profit or loss	21	4,606,750	-	-	-	-	-	-	-	-	-	-	4,606,750
Financial derivative contracts for accounting hedge	12	1,455,656	-	-	-	-	-	-	-	-	-	-	1,455,656
Financial liabilities at amortized cost	22	16,713,978	7,709,144	-	6,833,632	-	37	31,030	401,164	159,678	4,522	54,057	31,907,242
Obligations for lease contracts	17	9	149,299	-	-	-	-	-	-	-	-	-	149,308
Issued regulatory capital financial instruments	23	-	1,201,214	-	-	-	-	-	-	-	-	-	1,201,214
Total financial liabilities		**22,929,810**	**9,059,657**	**-**	**6,997,401**	**-**	**7,625**	**38,185**	**401,164**	**159,678**	**4,881**	**55,141**	**39,653,542**
Net financial position		**(4,375,987)**	**9,858,785**	**128,171**	**(1,618,839)**	**-**	**4,336**	**35,069**	**(399,898)**	**(152,999)**	**777**	**(44,353)**	**3,435,062**

Financial Assets-Liabilities	Note	$	UF	Adjustable Exchange Rate	US$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total
						As at December 31, 2022							
	No.	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash and deposits in banks	7	522,288	-	-	710,064	-	6,313	14,528	444	1,760	716	12,065	1,268,178
Transactions pending settlement	7	255,804	-	-	303,168	-	4,054	1,856	7	-	-	532	565,421
Financial assets to be traded at fair value through profit or loss	8	6,978,951	336,512	-	12,608	-	-	-	-	-	-	-	7,328,071
Financial assets at fair value through other comprehensive income	11	1,969,985	328,584	-	62,074	-	-	-	-	-	-	-	2,360,643
Financial derivative contracts for accounting hedge	12	395,111	-	-	-	-	-	-	-	-	-	-	395,111
Financial assets at amortized cost	13	10,016,277	17,493,889	126,229	5,181,762	-	-	35,287	-	360	2,254	-	32,856,058
Total financial assets		**20,138,416**	**18,158,985**	**126,229**	**6,269,676**	**-**	**10,367**	**51,671**	**451**	**2,120**	**2,970**	**12,597**	**44,773,482**
Transactions pending settlement	7	316,967	-	-	185,627	-	2,490	5,444	-	-	-	115	510,643
Financial liabilities to be traded at fair value through profit or loss	21	6,213,012	-	-	-	-	-	-	-	-	-	-	6,213,012
Financial derivative contracts for accounting hedge	12	1,536,880	-	-	-	-	-	-	-	-	-	-	1,536,880
Financial liabilities at amortized cost	22	17,242,155	7,654,908	-	7,085,912	-	598	43,512	259,071	83,658	2,294	52,284	32,424,392
Obligations for lease contracts	17	11	160,365	-	-	-	-	-	-	-	-	-	160,376
Issued regulatory capital financial instruments	23	-	987,943	-	-	-	-	-	-	-	-	-	987,943
Total financial liabilities		**25,309,025**	**8,803,216**	**-**	**7,271,539**	**-**	**3,088**	**48,956**	**259,071**	**83,658**	**2,294**	**52,399**	**41,833,246**
Net financial position		**(5,170,609)**	**9,355,769**	**126,229**	**(1,001,863)**	**-**	**7,279**	**2,715**	**(258,620)**	**(81,538)**	**676**	**(39,802)**	**2,940,236**

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

Non-Financial Assets-Liabilities	Note No.	$ MCh$	UF MCh$	Adjustable Exchange Rate MCh$	US$ MCh$	COP MCh$	GBP MCh$	EUR MCh$	CHF MCh$	JPY MCh$	CNY MCh$	Other MX MCh$	Total MCh$
As at December 31, 2023													
Investment in companies	14	34,209	-	-	-	-	-	11	-	-	-	-	34,220
Intangible assets	15	255,425	-	-	-	-	-	-	-	-	-	-	255,425
Property, equipment	16	84,327	-	-	-	-	-	-	-	-	-	-	84,327
Assets for the right to use leased assets	17	159,569	-	-	-	-	-	-	-	-	-	-	159,569
Current taxes	18	9	2,404	-	-	-	-	-	-	-	-	-	2,413
Deferred taxes	18	360,658	-	-	-	-	-	-	-	-	-	-	360,658
Other assets	19	287,523	21,332	-	398,204	-	-	890	-	-	-	582	708,531
Non-current assets and disposal groups held for sale	20	19,734	-	-	-	-	-	-	-	-	-	-	19,734
Total non-financial assets		**1,201,454**	**23,736**	**-**	**398,204**	**-**	**-**	**901**	**-**	**-**	**-**	**582**	**1,624,877**
Provisions for contingencies	24	55,152	-	-	-	-	-	-	-	-	-	122	55,274
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	122,388	-	-	-	-	-	-	-	-	-	-	122,388
Special provisions for credit risk	26	181,333	-	-	11,697	17	-	53	-	24	10	-	193,134
Current taxes	18	63,222	-	-	-	-	-	-	-	-	-	-	63,222
Deferred taxes	18	795	-	-	-	-	-	-	-	-	-	-	795
Other liabilities	27	233,024	30,327	-	780,353	814	22	21	-	7	-	5,580	1,050,148
Total non-financial liabilities		**655,914**	**30,327**	**-**	**792,050**	**831**	**22**	**74**	**-**	**31**	**10**	**5,702**	**1,484,961**
Net non-financial position		**545,540**	**(6,591)**	**-**	**(393,846)**	**(831)**	**(22)**	**827**	**-**	**(31)**	**(10)**	**(5,120)**	**139,916**

Non-Financial Assets-Liabilities	Note No.	$ MCh$	UF MCh$	Adjustable Exchange Rate MCh$	US$ MCh$	COP MCh$	GBP MCh$	EUR MCh$	CHF MCh$	JPY MCh$	CNY MCh$	Other MX MCh$	Total MCh$
As at December 31, 2022													
Investment in companies	14	26,083	-	-	-	-	-	10	-	-	-	-	26,093
Intangible assets	15	240,400	-	-	-	-	-	-	-	-	-	-	240,400
Property, equipment	16	90,636	-	-	-	-	-	-	-	-	-	-	90,636
Assets for the right to use leased assets	17	174,082	-	-	-	-	-	-	-	-	-	-	174,082
Current taxes	18	16,328	37,150	-	-	-	-	-	-	-	-	-	53,478
Deferred taxes	18	330,907	-	-	-	-	-	-	-	-	-	-	330,907
Other assets	19	336,796	24,551	-	393,881	-	-	1,011	-	121	-	12	756,372
Non-current assets and disposal groups held for sale	20	15,175	-	-	-	-	-	-	-	-	-	-	15,175
Total non-financial assets		**1,230,407**	**61,701**	**-**	**393,881**	**-**	**-**	**1,021**	**-**	**121**	**-**	**12**	**1,687,143**
Provisions for contingencies	24	49,223	-	-	454	-	1	114	-	9	-	90	49,891
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	146,260	-	-	-	-	-	-	-	-	-	-	146,260
Special provisions for credit risk	26	182,249	-	-	8,925	13	-	24	5	14	26	-	191,256
Current taxes	18	1,724	-	-	-	-	-	-	-	-	-	-	1,724
Deferred taxes	18	573	-	-	-	-	-	-	-	-	-	-	573
Other liabilities	27	232,863	33,641	-	762,053	484	23	16,738	-	5	-	4,550	1,050,357
Total non-financial liabilities		**612,892**	**33,641**	**-**	**771,432**	**497**	**24**	**16,876**	**5**	**28**	**26**	**4,640**	**1,440,061**
Net non-financial position		**617,515**	**28,060**	**-**	**(377,551)**	**(497)**	**(24)**	**(15,855)**	**(5)**	**93**	**(26)**	**(4,628)**	**247,082**

Note 47 Risk Management and Reporting

1) Introduction

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

Principles

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

- Risk and benefit balance - Business and risk decisions are consistent with strategies and risk appetite.

- Understanding risks - All material risks to which the Bank is exposed, including financial and non-financial risks, are identified and managed.

- Progressive thinking - Emerging risks and potential vulnerabilities are proactively identified and managed.

- Shared responsibility - All employees are responsible for managing risk.

- Focus on customers - Understanding our customers and their needs is essential to all business and risk decision-making.

- Protect our brand - All risk-taking activities must be aligned with the Bank's risk appetite, the code of conduct, the values and principles of policies.

- Controls - Maintain a robust and efficient control environment to protect our stakeholders.

- Resilience - Be operationally and financially prepared to respond in a timely manner to negative events.

- Compensation - Performance and compensation structures reinforce the Bank's values and promote effective risk-taking behaviors considering the regulatory environment related to compensation.

2) Risk management structure

- **Board**

Being the highest part of the Bank's risk management structure, it provides supervision, either directly or through its support committees, to ensure that decision-making is consistent with strategies and risk appetite. The Board of Directors receives regular updates on the main risks of the Bank, including a summary of the Bank's risk profile, main and emerging risks together with the performance of the portfolio with respect to the defined limits, and approves the key risk policies, the limits and the risk appetite framework.

Decision-making is centralized in several committees related to risk management, among which the following stand out:

- **Risk committee**

Corresponds to a support committee, which helps the Bank's Board of Directors of in the supervision of risk management, which includes institutional risk, credit risk, market risk and operational risk faced by the Bank, to facilitate its monitoring and supervision. Likewise, it provides the Board of Directors with updated information on the Bank's risk management.

- **Assets and liabilities committee, (ALCO)**

The mission of this Committee is to deliver strategic guidelines that allow for the proper management of the Bank's financial structure, in accordance with the objectives set by the Board of Directors and the Bank's policies. This committee is made up of members of the senior management, whose responsibility is to supervise the evolution of the balance sheet and long-term strategies, becoming a focus for discussion and resolution of the several issues concerning growth, funding, products, pricing, risks and Bank’s profit or loss.

- **Model committee**

The model committee is a body created to define and approve the preparation, application, monitoring, validation and implementation of the models and strategies defined in the risk management policy, as well as their modifications and relevant changes.

- **Capital management and profitability committee**

The Capital Management and Profitability Committee's mission is to provide strategic guidelines to maximize the Bank's profitability within the internal and regulatory risk appetite, in accordance with the objectives set by the Board of Directors and the policies of Scotiabank Chile (SBC).

- **Committee for the prevention of money laundering and financing of terrorism of the Bank and its subsidiaries**

Promotes and facilitates in the Bank and subsidiaries the observance of regulations and best practices to prevent, detect and report unusual operations that could be linked to money laundering.

• **Consequence Management Committee**

The Consequence Management Committee is intended to oversee the management of conduct risk in the Bank, through general direction and guidance, promoting the consistent and collaborative application of the guiding principles contained in the Code of Conduct throughout the Bank, being responsible for the governance and oversight of local conduct risk. In line with this, it is responsible for ensuring effective conduct risk management that ensures clear and permanent communication of the Bank's values and its global principles with respect to the required ethical conduct.

• **External Suppliers Committee of Scotiabank Chile and Subsidiaries**

It manages in a central and unified manner the issues related to the different aspects of outsourcing of the Bank and its Subsidiaries with external suppliers, or with other members of the Group.

• **Liquidity contingency committee**

The liquidity contingency committee is the highest decision-making body within the institution during a liquidity stress event, being the point of contact and consultation for the different areas of the Bank. The committee may be convened and activated by the Executive Vice President-Country Head, in his/her capacity as Chairman and Officer in charge, or in his/her absence by the Regional Vice President Treasurer or by resolution of ALCO. Activation can be based on the evaluation of early warnings of a potential liquidity stress event, contemplated in the liquidity policy and on all available information. When the liquidity situation does not allow waiting until the next ALCO meeting, the Chairman and Officer in Charge of the Committee, or in his/her absence the Regional Vice President Treasurer, has the authority to convene and activate the liquidity contingency plan.

• **Non-financial risk management committee of the Bank and subsidiaries**

Provide high-level supervision of non-financial risks (operational risks, information security, business continuity, risks in outsourced services, new products and initiatives, compliance, regulatory and reputational reports), providing a strategic approach and coordinating the development of local internal control programs.

• **Audit committee**

Corresponds to a support committee for the Bank's Board of Directors, which is in charge of the different aspects that involve efficiency, maintenance, application and operation of the internal control systems of the Bank and its subsidiaries; carefully monitor compliance with the regulatory standards and procedures that govern their practice; have a clear understanding of the risks that the business performed may mean for the institution; reinforce and support the function of the Comptroller's Office, as well as its independence from management and serve as a link and coordinator of tasks between the internal audit and the external auditors, also acting as a link between them and the Bank's Board of Directors.

Risk division

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

Certain key tasks in risk management performed by the risk units are, but are not limited to:

Retail credit management

- Evaluation of credit risk, exceptions and other credit operations of the different service channels, for Consumer Finance, Persons, Retail Finance, Micro-enterprises and SMEs.

- Carry out comprehensive strategic collection management hand in hand and aligned with the Bank's policy compliance and lead projects related to automation or improvements in collection systems.

Wholesale credit management

- Evaluate loans, exceptions and other operations of the different service channels for the business, large business, wholesale, corporate and real estate portfolios.

Risk data engineering and reporting

- Centralize the areas of engineering and risk data management in order to homogenize, standardize, streamline and reduce the risk of data processing and reporting (including regulatory provisions).

- Coordinate within risk the tasks related to Basel III, generating EESAR (Effective Equity Self-Assessment Report) and stress tests.

- Model risk is one that produces adverse financial results (for example, capital, losses, income) and reputation, arising from poor specifications, incorrect assumptions, computation errors, lack of controls, among other things, in the design, development, implementation and/or use of models.

Standardization companies and BRP

- Manages debtors transferred from the commercial areas (corporate, large companies, wholesale, real estate and companies) including the lease operations and factoring transactions portfolio, which present problems in meeting their obligations with the bank or show impairment in their economic or financial position. It should be noted that this management is also responsible for managing assets received in lieu of payment.

Market risk management

- Correctly measure and report to senior management the risks incurred by Scotiabank Group in Chile due to changes in prices and liquidity, so that these are managed in accordance with the Bank’s risk appetite and expectations complying with local and the Parent's regulations.

- 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 and SONIA.

- The Bank adopted the required actions to comply with the standard "Interest Rate Benchmark Reform Stage 2", identifying all transactions affected by the change in the benchmark rate, implementing the necessary IT developments to support the new rate model, drafting the legal language to be included in the contracts and promissory notes, both for those transactions maturing after the end of the publication of LIBOR rates, and for those transactions performed using the new benchmark rate, adhered to not providing loans under LIBOR from January 2022, only providing financing to third parties at SOFR and made valuation price changes at SOFR curves.

A summary of the exposure of the different LIBOR-indexed products (notional amounts) not yet remedied as at December 31, 2022 and 2023 is presented below.

LIBOR-based operations	Non-derivative assets MCh$	Non-derivative liabilities MCh$	Derivative assets MCh$	Derivative liabilities MCh$
US$	9,692	-	-	-
EUR	-	-	-	-
Other	-	-	-	-
As at December 31, 2023	**9,692**	**-**	**-**	**-**

LIBOR-based operations	Non-derivative assets MCh$	Non-derivative liabilities MCh$	Derivative assets MCh$	Derivative liabilities MCh$
US$	1,907,934	1,108,661	18,518,606	17,943,678
EUR	-	-	63,965	56,131
Other	-	-	19,067	19,067
As at December 31, 2022	**1,907,934**	**1,108,661**	**18,601,638**	**18,018,876**

The table above details the Bank's exposures to IBORs through financial assets and liabilities as at December 31, 2022 and 2023, subject to the IBOR reform which have not yet begun a process of transition to alternative benchmark rates.

Enterprise risk management

Develop and implement methods to identify, assess, measure, and monitor the operational, cybersecurity and technological, data, business continuity 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.
- Cybersecurity and information technology risk (IT) is the risk of financial losses, disruption, or reputational damage due to certain types of failures in IT systems.
- Data risk is the exposure to adverse financial or non-financial consequences due to mismanagement, misinterpretation or misuse of the Bank's data assets.
- Operational risk is the risk of loss derived from people, from inadequate processes and systems or their failures or from external events. Operational risk includes risk management with third parties and legal risk but excludes strategic risk and reputational risk.
- Implement the risk management framework and the risk appetite framework as the monitoring of risk appetite metrics, responsible for the risk culture, the crisis recovery plan as well as determining the Bank's risk profile.

Compliance

- Support management through the application of the compliance program and in implementation of the rules issued by regulatory bodies and corporate procedures of Scotiabank Chile and its subsidiaries; monitor and advise on the application of the Bank's code of conduct; and support senior management in the identification and management of the risk of non-compliance.

- Collaborate with Management to establish a crime prevention model as required by Law No.20393, on criminal liability of legal entities and ensure its effective implementation and application.

Prevention of money laundering and financing of terrorism

- Prevent the use of the products of the Bank and its subsidiaries for the commission of crimes associated with money laundering and terrorist financing, reducing the associated reputational risk.

3) Loss risk

Relates to the risk of financial loss faced by the Bank if a customer or counterparty in a financial instrument does not comply with its contractual obligations. It originates mainly from accounts receivable from customers and investment instruments.

The Bank manages credit loss through a number of tools that include procedures, models, validation, controls, behavioral monitoring, etc. This is part of a global strategy. Different limits and models are established based on the features of the customers and the environment in which they operate.

The process by which the Bank operates its policies and controls includes the following features and instances:

- Centralized loan process, where all powers are based on the credit committees.
- Clearly established discretionary credit limits.
- Credit committees specialized by business segments.
- Credit committees specialized by sectors of economic activity.

The main controls established by the Bank include:

- Control and monitoring of credit limits authorized by sector of economic activity.
- Generation of credit management reports.
- Early warnings of the commercial portfolio.
- Calculation and monthly control of allowances.
- Monitoring of impaired portfolio.
- Control of write-offs and loan recoveries.

The Bank also has differentiated models to establish the appropriate amount of potential losses, based on the following models based on individual and collective analysis of debtors:

Individual assessment:

Debtors having the characteristics described in Note 2 "Significant accounting policies", letter (aa) "Special allowances for credit losses" are considered as individually evaluated commercial portfolio.

In accordance with Chapter B-1 of the CNC for Banks issued by the CMF, the individual assessment considers the following segments:

a) Regular portfolio: Includes those customers whose payment capacity allows them to meet their financial obligations and ranges from category A1 to A6.

b) Substandard portfolio: Includes debtors with financial problems or who have been in arrears for more than 30 days. It ranges from category B1 to B4.

c) Portfolio in default: Includes debtors with insufficient payment capacity in foreseeable situations. The categories used range from C1 to C6.

Collective assessment - Collective expected loss models:

The Bank has an adequate structure for the administration of credit loss models, with independence of functions in accordance with good practices and local regulations.

In addition, a model committee exists to which the development of the models, their validation and their follow-up are presented for approval, both from the performance and sufficiency of allowances standpoint, which allows for adequate control of collective allowances. The aforementioned validation is performed by an internal area different from the area developing such models, carrying out an objective review and without conflicts of interest.

There is a model risk management policy that has guidelines that allow developments to show a standard defined by the Bank, regardless of the team that performs the work. The guidelines cover different stages in the model life cycle such as: collective models methodology, monitoring and control, data validation, model validation and model development, and adequacy of allowances.

In addition, in order to have adequate support and analysis, there are technical notes that cover relevant points in the development of models, such as, for example, the recessive period to be considered or the discount rate that should be used in the calculation of the parameter of loss given default.

All models have a risk rating based on their use, maturity, typology, materiality and complexity.

Thus, the allowance models are integrated with the management of account administration, collections and account origination.

The different collective credit risk models are presented below according to the Bank's portfolios:

Non-retail collective commercial model

This Model is applied to single customers, small businesses, separating customers belonging to commercial loan portfolio from customers belonging to retail portfolio (customers with loans other than commercial loans). Commercial customers with sales above MUS$1 or debt above MCh$500 are evaluated individually.

Customers are evaluated at Taxpayer ID level, which are grouped as follows: renegotiated customers, and non-renegotiated customers.

In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: lease, student and other commercial. These matrices are generally double-entry where an expected loss (EL) assigned according to the delinquency tranche and guarantee coverage must be applied. The model providing the greatest allowances between the internal or standard model is then applied.

Retail collective commercial model

This Model is applied to single customers (natural persons) or micro-enterprises with some classified commercial credit as defined by CMF. There are various business models for the retail segment and these are applied to each account as appropriate to calculate the probability of default (PD) and are: CAE Education, CORFO Education, Micro-enterprises (for new and old customers), general purpose mortgage loan and model for renegotiated customers.

In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: lease, student and other commercial. These matrices are generally double-entry where an EL assigned according to the delinquency tranche and guarantee coverage must be applied. The model providing the greatest allowances between the internal or standard model is then applied.

Mortgage model

Mortgage model is applicable to customers with an operation classified as mortgage loans (for new and old customers). Customers are evaluated at Taxpayer ID No. level. In addition, has a standard model determined by CMF in a double-entry matrix where an EL must be applied by tranches of default and tranches of loan to value (LTV). The model that calculates the highest expected losses is then applied.

Consumption model

It applies to customers with an operation classified as consumption. There are various consumption models and they are applied to each account as appropriate, seeking the lowest rating at the customer level for the PD calculation. Models are quota consumption (for new and old customers), revolving consumption, renegotiated consumption (at customer level) and agreements.

CAT subsidiary allowance model

The model used for subsidiary CAT uses the same formulation as for the collective consumption model, based on a statistical model with probability of default (PD) and a loss given default (LGD). Models are integrated with the management of the customer; e.g., for non-payment of obligations, considering the different CAT recovery and collection strategies.

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 December 31, 2023								
Individual evaluation	Owed by banks MCh$	Commercial loans MCh$	Commercial leasing MCh$	Factoring MCh$	Consumer loans MCh$	Mortgage loans MCh$	Contingent loans MCh$	Total MCh$
A1	12,354	73,442	-	628	-	-	73,377	159,801
A2	12,884	2,948,952	55,038	34,679	-	-	540,795	3,592,348
A3	-	1,728,678	140,392	19,817	-	-	91,680	1,980,567
A4	-	2,687,685	328,086	117,091	-	-	218,982	3,351,844
A5	-	1,260,656	169,212	83,484	-	-	62,398	1,575,750
A6	-	1,098,749	64,978	34,805	-	-	18,272	1,216,804
B1	-	314,932	14,450	26,120	-	-	4,077	359,579
B2	-	205,255	12,945	3,090	-	-	6,590	227,880
B3	-	213,303	6,116	-	-	-	10,771	230,190
B4	-	75,612	4,394	-	-	-	3,101	83,107
C1	-	121,628	3,383	2,131	-	-	124	127,266
C2	-	36,848	6,507	-	-	-	6	43,361
C3	-	22,494	1,263	-	-	-	17	23,774
C4	-	18,162	1,095	-	-	-	19	19,276
C5	-	76,016	560	721	-	-	832	78,129
C6	-	55,491	2,050	781	-	-	462	58,784
Total	**25,238**	**10,937,903**	**810,469**	**323,347**	**-**	**-**	**1,031,503**	**13,128,460**

As at December 31, 2022								
Individual evaluation	Owed by banks MCh$	Commercial loans MCh$	Commercial leasing MCh$	Factoring MCh$	Consumer loans MCh$	Mortgage loans MCh$	Contingent loans MCh$	Total MCh$
A1	58,819	109,382	-	6,519	-	-	188,465	363,185
A2	7,893	4,236,834	56,550	5,848	-	-	614,331	4,921,456
A3	125	2,079,331	151,174	30,338	-	-	176,284	2,437,252
A4	-	3,585,318	332,753	154,733	-	-	140,441	4,213,245
A5	-	1,207,527	158,638	33,742	-	-	54,755	1,454,662
A6	-	746,068	64,272	14,403	-	-	18,757	843,500
B1	-	220,504	16,462	307	-	-	27,222	264,495
B2	-	81,220	4,718	-	-	-	349	86,287
B3	-	58,098	1,528	14	-	-	366	60,006
B4	-	47,094	2,280	-	-	-	93	49,467
C1	-	65,370	3,116	56	-	-	1,794	70,336
C2	-	11,546	6,498	164	-	-	1,561	19,769
C3	-	9,636	1,656	349	-	-	25	11,666
C4	-	16,353	3,225	-	-	-	507	20,085
C5	-	63,625	2,199	147	-	-	1,395	67,366
C6	-	51,997	83	598	-	-	2,881	55,559
Total	**66,837**	**12,589,903**	**805,152**	**247,218**	**-**	**-**	**1,229,226**	**14,938,336**

Credit quality by class of financial asset – Collective assessment

For collective assessment, credit quality is presented (regular or in default), tabulating loans according to the class of financial asset.

As at December 31, 2023								
Group evaluation	Owed by banks MCh$	Commercial loans MCh$	Commercial leasing MCh$	Factoring MCh$	Consumer loans MCh$	Mortgage loans MCh$	Contingent loans MCh$	Total MCh$
Regular	-	1,711,864	28,570	407	3,724,903	13,485,431	555,164	19,506,339
Default	-	252,818	1,854	135	422,348	406,281	25,548	1,108,984
Total	**-**	**1,964,682**	**30,424**	**542**	**4,147,251**	**13,891,712**	**580,712**	**20,615,323**

As at December 31, 2022								
Group evaluation	Owed by banks MCh$	Commercial loans MCh$	Commercial leasing MCh$	Factoring MCh$	Consumer loans MCh$	Mortgage loans MCh$	Contingent loans MCh$	Total MCh$
Regular	-	1,848,830	33,185	715	3,599,766	13,274,625	520,507	19,277,628
Default	-	198,983	1,817	144	258,930	309,516	21,338	790,728
Total	**-**	**2,047,813**	**35,002**	**859**	**3,858,696**	**13,584,141**	**541,845**	**20,068,356**

Financial assets at amortized cost

The following stages are defined for individual and collective assessment:

Stage	Description	Individual	Group
Stage 1	Assets without a significant increase in credit risk since initial recognition	A1 to A6	Regular
Stage 2	Assets with a significant increase in credit risk since initial recognition but without credit impairment	B1 to B4	Substandard
Stage 3	Credit-impaired assets	C1 to C6	Default

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

As at December 31, 2023	Stage 1 MCh$	Stage 2 MCh$	Stage 3 MCh$	Total MCh$
Individual				
Owed by banks	25,238	-	-	25,238
Loans and accounts receivable	11,851,876	900,756	350,590	13,103,222
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	19,506,339	-	1,108,984	20,615,323
Total	**31,383,453**	**900,756**	**1,459,574**	**33,743,783**

As at December 31, 2022	Stage 1 MCh$	Stage 2 MCh$	Stage 3 MCh$	Total MCh$
Individual				
Owed by banks	66,837	-	-	66,837
Loans and accounts receivable	14,166,463	460,255	244,781	14,871,499
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	19,277,628	-	790,728	20,068,356
Total	**33,510,928**	**460,255**	**1,035,509**	**35,006,692**

Collateral

Collateral accepted by the Bank comply with the requirements established in in Chapter 12-3 of the RAN, which establishes that for the purposes of the individual credit limit, all sureties constituted on real or personal property are collateral. Collateral (co-debtors or sureties), as well as those constituted on bills of exchange, commercial promissory notes, shares and, in general, all those that do not affect tangible property, will not be considered for these purposes, except for certain specific documents indicated in the regulations and that comply with the conditions indicated therein. Having guarantees reduces the risk for the Bank.

For the collective and individual evaluation, the limitation of guarantee amount for customers with secured transactions is classified into the following categories:

Individual	As at December 31, 2023			As at December 31, 2022		
	Loans MCh$	Guarantee MCh$	Allowance MCh$	Loans MCh$	Guarantee MCh$	Allowance MCh$
Commercial loans	12,071,719	4,256,123	249,036	13,642,273	3,849,362	224,892
Consumer loans	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-
	12,071,719	**4,256,123**	**249,036**	**13,642,273**	**3,849,362**	**224,892**

Group (*)	As at December 31, 2023			As at December 31, 2022		
	Loans MCh$	Guarantee MCh$	Allowance MCh$	Loans MCh$	Guarantee MCh$	Allowance MCh$
Commercial loans	2,005,283	2,557,483	68,233	2,094,439	2,494,452	63,717
Consumer loans	2,655,839	-	154,109	2,511,571	-	135,328
Mortgage loans	13,857,128	24,169,277	44,808	13,544,965	22,940,236	39,106
	18,518,250	**26,726,760**	**267,150**	**18,150,975**	**25,434,688**	**238,151**

Individual portfolio risk profile by probability of default

The table below shows a tabulated breakdown by probability of default (PD) of the Bank's individual portfolio of secured and unsecured debt.

Tranches for probability of default	As at December 31, 2023		As at December 31, 2022	
	Secured MCh$	Unsecured MCh$	Secured MCh$	Unsecured MCh$
0.0 - 0.1	130,273	5,151,317	152,217	6,460,827
0.11 - 0.4	410,405	1,572,669	469,869	1,969,860
1.01 - 3.0	1,388,673	1,963,170	1,749,926	2,466,228
3.01 - 6.0	729,422	846,328	725,807	731,412
6.01 - 11.0	747,089	470,693	420,998	422,502
11.01 - 17.0	229,227	131,800	111,004	153,491
17.01 - 25.0	169,083	58,797	31,356	54,930
25.01 - 50.0	244,907	69,847	74,486	34,987
50.01 +	231,969	118,620	143,238	101,543
Total	**4,281,048**	**10,383,241**	**3,878,901**	**12,395,780**

The information does not consider guarantees for substitution purposes.

Risk profile of the collective portfolio by probability of default

The table below shows a tabulated breakdown by probability of default (PD) of the Bank's different collective portfolio banking.

Tranches for probability of default	12/31/2023 MCh$	12/31/2022 MCh$
Commercial		
0.84 - 3.81	837,537	639,489
3.81 - 8	372,968	425,967
8 - 12.41	155,248	320,398
12.41 - 12.722	174,403	235,382
12.722 - 25.27	60,252	91,214
25.27 +	404,874	381,989
Total commercial	**2,005,282**	**2,094,439**
Mortgage		
0.14 - 0.37	8,630,213	8,271,049
0.37 - 1.79	2,648,246	2,751,178
1.79 - 4.5	1,151,327	1,337,288
4.5 - 16.8	13,861	33,306
16.8 - 23.04	1,010,002	846,740
23.04 +	403,479	305,404
Total mortgage	**13,857,128**	**13,544,965**
Consumer		
0.82 - 2.36	736,319	562,855
2.36 - 5.61	671,210	708,322
5.61 - 9.94	410,830	402,908
9.94 - 15.59	229,298	265,886
15.59 - 40.58	284,806	302,268
40.58 +	323,376	269,332
Total consumer	**2,655,839**	**2,511,571**
Total	**18,518,249**	**18,150,975**

Offset of financial assets and liabilities

For accounting purposes, Scotiabank does not offset derivatives.

Credit limits to related groups

For groups related to Scotiabank, the total of their obligations may not exceed 5% of the Bank's effective equity, this limit increases to 25% only if that exceeding 5% corresponds to obligations with collateral (article 84, number 2 of the General Banking Law).

All Groups related to Scotiabank are within the regulatory limits, detailed as follows:

As at December 31, 2023

	Total obligations MCh$	% Effective equity Secured	% Effective equity Unsecured
BNS Group	512,207	10.9%	0.1%
Said Group	213,782	3.6%	1.0%
Generico por Gestión Group	163,909	2.8%	0.7%
Karen Ergas Group	44,759	0.3%	0.7%
Business Support Group	30,000	0.0%	0.7%
Salvador Said Group	27,389	0.0%	0.6%
Víctor Carpio Group	18,717	0.3%	0.1%
Emilio Deik Group	9,359	0.1%	0.1%
Other related groups	53,760	0.9%	0.3%
Total main debtors	**1,073,882**		
	Regulatory limits	**25.0%**	**5.0%**

As at December 31, 2022

	Total obligations MCh$	% Effective equity Secured	% Effective equity Unsecured
BNS Group	631,263	15.1%	0.3%
Said Group	211,150	4.2%	0.9%
Generico por Gestión Group	148,478	2.9%	0.7%
Paz Group	37,891	0.2%	0.7%
Salvador Said Group	32,549	0.0%	0.8%
Business support Group	31,253	0.0%	0.8%
Other related groups	95,503	1.5%	0.8%
Total main debtors	**1,188,087**		
	Regulatory limits	**25.0%**	**5.0%**

Concentration by industries

See information on concentration by industry in letter e) “Gross loans and allowances made grouped by type of economic activity of debtors and concentration of credit risk” in note 13 “Financial assets at amortized cost.”

Total allowances on loans

The total level of allowances on loans reached MCh$706,523 as at December 31, 2023, which implies an increase of approximately 18.44% compared to the stock of allowances as at December 31, 2022, which reached MCh$596,532. Accordingly, and considering a decrease in total loans (a decrease of 3.20% in the same period), the percentage of allowances on total loans was up from 1.80% in December 2022 to 2.20% in December 2023.

Risk rates and allowances	12/31/2023 MCh$	12/31/2022 MCh$
Total allowances on loans	706,523	596,532
Total loans	32,106,330	33,168,784
Allowance / loan percentage	**2.20%**	**1.80%**

The increase in credit loss allowances in the year from December 2022 to December 2023 occurs mainly in retail and CAT Administradora de Tarjetas S.A., where a voluntary constitution of specific allowances of MCh$25,000 was made in order to maintain adequate coverage levels.

4) Market risk

Refers to the risk of losses arising from adverse movements in market prices. It is associated with the volatility of the financial market and reflects the uncertainty faced by a financial institution in the face of possible adverse effects on the risk factors (market interest rates, exchange rates and prices) on the value of its assets, liabilities and equity. Market risks is classified as follows:

- **Interest rate risk**
  Risk of losses due to adverse movements in the intertemporal structure of the interest rate. This is caused by upward or downward movements of the yield curve.

- **Spread – Base risk**
  Spread risk is the risk of losses related to adverse changes in spreads existing in the yield of different financial assets and liabilities. These may reflect particular liquidity conditions of assets, credit and/or specific prepayment clauses whose exercise may result in a deterioration on the ability to generate future margin.

- **Exchange rate risk**
  Risk of losses due to adverse movements in exchange rates. This risk originates from financial mismatches between assets and liabilities, both effective and contingent.

- **Optionality risk**
  Risk of financial losses associated with positions in explicit or implicit options, whether purchased or delivered, such as those contained in mortgage loans and education loans.

Balance sheet management

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

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

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

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

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

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

As at December 31, 2023 **(Individual bank)**

	Purchase value MCh$	Purchase TIR %	Market value MCh$	Market TIR %	Unrecognized gain (loss) MCh$
Papers Ch$	**1,862,294**	**4.62**	**1,807,484**	**6.01**	**(54,810)**
PDBC	393,432	9.99	420,810	7.58	27,378
BCP	-	-	-	-	-
BTP	1,468,862	3.18	1,386,674	5.53	(82,188)
Term deposits Ch$	-	-	-	-	-
Papers UF	**365,202**	**1.68**	**356,238**	**2.55**	**(8,964)**
BCU	-	-	-	-	-
BTU	365,202	1.68	356,238	2.55	(8,964)
Term deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US$	**59,870**		**62,225**		**2,355**
Term deposits US$	59,870	4.15	62,225	6.60	2,355
Total	**2,287,366**	**4.14**	**2,225,947**	**5.47**	**(61,419)**

As at December 31, 2022	(Individual bank) Purchase value MCh$	Purchase TIR %	Market value MCh$	Market TIR %	Unrecognized gain (loss) MCh$
Papers Ch$	**2,124,887**	**5.45**	**1,988,132**	**7.78**	**(136,755)**
PDBC	610,231	11.67	612,403	11.47	2,172
BCP	4,668	2.34	4,639	11.19	(29)
BTP	1,509,988	2.95	1,371,090	6.12	(138,898)
Term deposits Ch$	-	-	-	-	-
Papers UF	**324,886**	**0.95**	**316,791**	**3.31**	**(8,095)**
BCU	35	0.25	34	6.11	(1)
BTU	324,851	0.95	316,757	3.31	(8,094)
Term deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US$	**65,077**	**4.22**	**62,489**	**6.63**	**(2,588)**
Term deposits US$	65,077	4.22	62,489	6.63	(2,588)
Total	**2,514,850**	**4.84**	**2,367,412**	**7.15**	**(147,438)**

Trading activities/customers

The Bank has a Trading area responsible for the active trading of highly liquid instruments, whether these are Banco Central de Chile, bank and/or corporate paper, interest rate and/or currency derivatives (including UF). This area is responsible for finding profit opportunities in a short-term horizon, taking advantage of transitory no arbitrations in prices and differentials in the yield curve (base and spread), but is also responsible for providing financial solutions to our customers.

Value at risk

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

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

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

As at December 31, 2023, the total VaR (includes rate and currency) reached a value of MCh$2,878 (MCh$3,271 as at December 31, 2022).

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

	12/31/2023 MCh$	12/31/2022 MCh$
Bonds in UF	2	42
Derivatives UF	(532)	(315)
Bonds in Ch$	(29)	(847)
Derivatives in Ch$	252	(1,311)
Derivatives in US$	(1,217)	(76)
Basis US$/Ch$	(1,361)	(769)
Basis L3L6	-	-
Other	7	5
FX	-	-
Total	**(2,878)**	**(3,271)**

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

Interest rate flow sensitivity

Structural interest rate risk is measured using a metric that sensitizes the flows of asset and liability positions.

The metric considers financial assets, liabilities and derivatives not belonging to the trading portfolio. Items, or a portion thereof, that are previously designated as not sensitive to changes in interest rates are excluded, such as:

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

Interest rate mismatches are built as follows:

a) Cash flows are determined by the maturity of fixed rate transactions and by the revaluation period in variable rate transactions.

b) Assets, liabilities and derivatives used in balance management should be grouped according to their currency of accrual: Chilean pesos (Ch$), Unidad de Fomento (UF), U.S. dollars (US$) and other foreign currencies combined.

c) Flows consider only principal of transactions.

d) Interest rate curves do not consider the spread between assets and liabilities.

f) Adjustments:

To properly calculate the sensitivity of assets and liabilities to changes in interest rates, the flows of financial products having particular characteristics must be modified:

i) The balance in chequing accounts is distributed in terms of up to 8 years for the local report and up to 5 years for regulatory report. Both as obtained in the stability models of demand accounts with no maturity.
ii) The ability of customers to prepay loans modifies the risk profile of the balance sheet, as actual maturities differ from the contractual maturities.
iii) For education loans, the expected flow should be estimated according to the factors that determine the maturity profile of this portfolio. In addition, all disbursements and resales that will be accounted for in the current year, related to those students who are pursuing their studies and that the Bank has committed to deliver the necessary funds, must be entered.

Short-term sensitivity (Net interest income sensitivity)

Quantifies the impact of an adverse change in interest rates in the short term. This impact discloses the deviation that the budgeted financial margin may experience at a year-end.

The interest rate shock is weighted by the residual term of each time band, i.e., a 100 bp shock is applied to the overnight band until it is gradually reduced to 8.33 bp in the eleventh month.

The calculation is made for each currency, then the individual results are aggregated to obtain the overall risk exposure.

$$St = ABS\ (\Sigma\ Spm)$$

Where:
St: Short-term sensitivity to a change in interest rates.
Sp: Sensitivity of a change in interest rate (100 bps) weighted by the annual residual term.
m: The currencies of each book measured: Ch$, UF, US$, MX.

Long-term sensitivity (Economic value sensitivity)

Quantifies the impact of an adverse change in interest rates on the Bank's equity, or in other words, represents the variation that the value of the share would experience in the event of a movement in the yield curve.

This impact is obtained by comparing the market value of the balance sheet structure with the present value of the mismatches discounted at market rates modified by a sensitivity factor equivalent to +/- 100bp.

$$Stl = ABS\ (\min\ (\Sigma\ St{+}m,\ \Sigma\ St{-}m))$$

Where:
Stl: Long-term sensitivity to a change in interest rates.
St: Sensitivity to an increase (+) and drop (-) in interest rates.
m: The currencies of each book measured: Ch$, UF, US$, MX.

Inflation position sensitivity

The sensitivity of the inflation position results from applying a 100 bp shock to the difference between assets and liabilities denominated in Unidad de Fomento (UF). The mismatch considers on and off-balance sheet transactions, except for those of the trading portfolio. Derivatives the maturity date of which falls within the known UF term are excluded from the measurement.

$$If = ABS\ (Pi) * 1\%$$

Where:
If: Inflation sensitivity
Pi: Inflation position

The Bank uses long-term sensitivity (EvE), short-term sensitivity (NII) and sensitivity to inflation risk to quantify the interest rate risk of the balance sheet book (banking book). These measures include all assets and liabilities, except for trading portfolios.

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

As at December 31, 2023

	NPV	NPV + 1%	NPV - 1%
Ch$	2,452,985	(57,996)	63,969
UF	2,473,099	(109,270)	33,166
US$	(1,076,081)	2,280	(2,546)
MX	48,623	(1,542)	1,639
Usage	**(166,528)**		

As at December 31, 2022

	NPV	NPV + 1%	NPV - 1%
Ch$	2,213,078	(118,632)	125,503
UF	2,132,627	(78,212)	58,401
US$	(937,888)	6,190	(6,702)
MX	72,954	(1,852)	1,982
Usage	**(192,506)**		

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

As at December 31, 2023

	Net present value				Financial margin			
	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$
1 Month	1,486,799	36,225	(950,985)	(4,618)	14,248	284	(9,114)	(44)
2 Months	(166,181)	36,219	(1,133,418)	531	(1,454)	260	(9,917)	5
3 Months	709,255	67,374	(357,769)	8,073	5,615	481	(2,832)	64
4 Months	294,064	137,901	469,184	(1,506)	2,083	932	3,323	(11)
5 Months	(2,283,570)	158,670	478,911	3,462	(14,272)	953	2,993	22
6 Months	317,749	116,006	582,750	2,236	1,721	594	3,157	12
7 Months	(632,489)	73,588	67,422	1,085	(2,899)	310	309	5
8 Months	(137,420)	(43,950)	(65,338)	2,444	(515)	(187)	(245)	9
9 Months	162,178	78,782	12,802	(52)	473	213	37	-
10 Months	(214,293)	196,271	38,472	-	(446)	397	80	-
11 Months	77,859	(7,994)	(4,442)	565	97	(17)	(6)	1
12 Months	508,167	(145,208)	(636)	869	212	(63)	-	-
				Total	**4,863**	**4,157**	**(12,215)**	**63**

Exposure to inflation						**11,295**		
Usage	**14,427**							

As at December 31, 2022

	Net present value				Financial margin			
	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$
1 Month	(1,630,008)	223,940	(695,713)	13,238	(15,621)	2,083	(6,667)	127
2 Months	496,849	(3,955)	(512,508)	7,296	4,347	(91)	(4,484)	64
3 Months	1,106,315	178,698	(618,373)	6,022	8,758	1,363	(4,895)	48
4 Months	269,502	203,565	105,031	3,439	1,909	1,398	744	24
5 Months	426,786	(253,265)	387,466	1,807	2,667	(1,621)	2,422	11
6 Months	90,443	75,295	736,690	3,532	490	375	3,990	19
7 Months	14,575	(318,834)	77,155	351	67	(1,488)	354	2
8 Months	84,872	193,683	47,273	(727)	318	704	177	(3)
9 Months	(38,694)	(11,318)	26,217	216	(113)	(49)	76	1
10 Months	89,185	120,645	(29,486)	908	186	240	(62)	2
11 Months	195,360	(55,328)	(28,311)	866	244	(76)	(36)	1
12 Months	402,360	(40,822)	74,451	1,026	169	(19)	31	-
				Total	**3,421**	**2,819**	**(8,350)**	**296**

Exposure to inflation						**8,762**		
Usage	**10,576**							

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

Accounting hedges

Transactions under the accounting hedging modality are governed by the technical and procedure specifications described in the Accounting Hedging Policy, managed by the Finance Division. This policy indicates the strategies for hedging with derivatives, specific risk being hedged, effectiveness testing, accounting for hedging relationships and general descriptions related to this product.

As a general concept, a derivative position, which is hedging a certain financial instrument, that arises in the ALM book continues to belong to that book in the event that the hedged item has, for instance, been sold. This translates into no effect on the related regulatory reports and follows the logical determination to separate products and instruments from the trading book and the banking book, as established in RAN Chapter 21-7.

The Market Risk Management Department supervises the deals entered under this modality in the peak system, reviewing concepts such as type of strategy, type of product entered, currency, term and counterparty, making an effective comparison between the system and the confirmation forms received from the back-office area, in order to subsequently provide its final approval.

Additionally, for the management process, on a monthly basis it compares the amounts of results that were entered on a daily basis and the final results received from the Parent, making the related adjustments should differences exist.

Stress tests

The market risk management develops and reports to ALCO and local Board regularly stress exercises, which include parallel and non-parallel movements of the yield curve, volatility shocks and historical scenarios.

Detail of exposures

Currency risk

The Bank is exposed to the volatility in exchange rates in which its financial positions and cash flows are expressed or indexed. On an annual basis, the limits for the levels of net exposure by currencies and the total positions during the day and closing are reviewed at ALCO and Headquarters, which are monitored daily by the market risk management.

The Bank actively takes positions in US$, in addition to having operations in other currencies due to products required by customers.

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

	As at December 31, 2023			As at December 31, 2022		
	Assets MCh$	Liabilities MCh$	Net MCh$	Assets MCh$	Liabilities MCh$	Net MCh$
US$	50,287,492	49,930,076	357,416	52,013,637	51,886,787	126,850
CAD	21,555	21,177	378	20,894	19,638	1,256
BRL	11,707	9,672	2,035	10,290	10,258	32
PEN	5	-	5	41,688	42,411	(723)
AUD	222,188	223,981	(1,793)	226,590	228,690	(2,100)
CNY	121,094	120,547	547	96,315	94,972	1,343
DKK	-	-	-	-	-	-
JPY	424,887	418,349	6,538	371,766	366,629	5,137
CHF	584,780	588,740	(3,960)	505,914	514,589	(8,675)
NOK	2,488	2,471	17	2,953	2,868	85
NZD	65	-	65	550	535	15
GBP	270,404	270,293	111	163,933	158,653	5,280
SEK	19,937	19,987	(50)	21,339	20,908	431
HKD	631	629	2	75	-	75
ZAR	31	-	31	34	-	34
COP	33,356	32,070	1,286	44,171	45,099	(928)
MXN	163,794	163,604	190	106,450	102,536	3,914
EUR	1,262,428	1,256,986	5,442	1,143,322	1,122,988	20,334
Other currencies	807	807	-	1,401	-	1,401

Balance book interest rate risk

The Bank is exposed to the volatility in the structure of market interest rates over its structural exposures. As a result of the changes in interest rates, margins can increase, but these can also be reduced and even cause losses in the event of adverse movements.

The Board of Directors sets limits for the effects of mismatches in banking book (which includes all those positions that are not for trading) on the financial margin and on the economic value of its equity, compliance with which this must be reported monthly to CMF.

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

	As at December 31, 2023 Mismatch due to term				As at December 31, 2022 Mismatch due to term			
Range of days	**Ch$**	**UF**	**US$**	**MX (*)**	**Ch$**	**UF**	**US$**	**MX (*)**
00002-00030	1,042,456	(67,755)	(953,358)	(4,618)	(1,963,521)	79,692	(903,878)	13,238
00031-00060	(210,839)	35,173	(1,144,343)	531	450,206	(5,014)	(522,896)	7,296
00061-00090	663,266	66,352	(364,790)	8,072	1,058,222	177,663	(625,297)	6,022
00091-00120	251,454	136,879	460,702	(1,507)	225,528	202,531	96,155	3,439
00121-00150	(2,327,494)	157,649	472,673	3,462	381,267	(254,299)	381,079	1,807
00151-00180	268,281	114,984	577,663	2,235	38,087	74,261	731,092	3,531
00181-00210	(676,700)	72,565	60,347	1,084	(30,896)	(319,870)	69,832	350
00211-00240	(181,018)	(44,976)	(72,792)	2,443	40,232	192,644	39,586	(728)
00241-00270	119,769	77,760	5,155	(52)	(81,935)	(12,352)	17,761	215
00271-00300	(255,614)	195,247	32,252	-	46,502	119,608	(35,861)	908
00301-00330	30,516	(9,025)	(9,642)	564	145,175	(56,371)	(33,987)	865
00331-00360	465,359	(146,230)	(5,894)	868	358,198	(41,856)	68,557	1,025
00361-00720	2,036,205	483,703	(15,661)	1,317	(1,621,458)	664,568	(4,909)	1,647
00721-01080	1,323,866	(119,450)	(15,085)	19,272	1,730,977	534,739	(14,321)	1,647
01081-01440	459,696	172,066	(29,359)	847	835,601	(273,009)	(31,762)	19,065
01441-01800	(469,723)	485,066	(31,146)	722	354,972	4,844	(128,810)	1,217
01801-02160	(394,622)	444,961	(35,025)	841	(202,315)	542,512	(48,969)	1,291
02161-02520	287,080	150,850	(38,087)	1,753	(285,304)	432,428	(54,352)	1,170
02521-02880	421,943	(759,472)	(42,071)	49,655	502,825	288,415	(56,575)	1,170
02881-03240	16,751	(281,728)	(1,832)	(12,804)	909,200	(607,429)	(4,762)	50,764
03241-03600	(90,767)	32,612	-	-	180,130	(339,640)	1,697	(14,735)
03601-05400	54,660	1,992,918	-	-	68,120	1,146,473	-	-
05401-07200	14	(258,624)	-	-	198	(134,503)	-	-
07201-09000	4	(141,667)	-	-	121	(24,957)	-	-
09001-10800	4	815	-	-	101	736	-	-
10800->>>>>	127	10	-	-	67	21	-	-
NRS	(1,191,147)	20,611	(957,848)	-	(1,266,764)	3,255	(722,220)	-

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

Regulatory limits

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

	Amount 12/31/2023 MCh$	Amount 12/31/2022 MCh$
Short-term (margin)		
Short-term interest rate risk	44,178	59,161
Indexation risk	37,736	32,356
Lower income due to commissions sens.	-	-
Total short-term risk	**81,914**	**91,517**
Short-term risk limit (35% of the margin)	324,152	321,676
Short-term usage limit percentage	25.27%	28.45%
Long-term (value)		
Long-term interest rate risk	653,363	749,437
Interest rate optionality risk	-	-
Total long-term risk	**653,363**	**749,437**
Long-term risk (*)	1,157,478	1,236,825
Long-term limit usage percentage	56.45%	60.59%

(*) At the Board’s Meeting of April 2023 an amendment to the "Long-term limit" was approved, which was established at 25% of Equity (30% up to March 2023). Such limit is considered in disclosures beginning on June 30, 2023 (the limit amendment has been reported to the CMF).

Balance book exposure (Bank)

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

The Banco Central de Chile establishes a regulatory limit for the sum of interest rate risks in trading positions (including derivatives) and currency risk. The Bank, at an individual level, must permanently observe these limits and report weekly to the CMF on its positions at risk and compliance with these limits. It must also report monthly to the CMF on the positions at risk consolidated with the subsidiaries and branches abroad. The regulatory limit establishes that the effective equity must be sufficient to cover the sum of 8% of the credit risk and market risk weighted assets.

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

	Amount 12/31/2023 MCh$	Amount 12/31/2022 MCh$
Interest rate risk	208,534	228,900
Currency risk	30,067	13,343
Share risk	1,408	1,158
Currency optionality risk	4	-
Consolidated risk-weighted assets	30,758,320	30,528,390
Credit risk regulatory capital (8% CRWA)	2,001,538	2,003,712
Market risk regulatory capital (8% MRWA)	240,013	243,400
Operational risk regulatory capital (8% ORWA)	219,115	195,159
Total regulatory capital	**2,460,666**	**2,442,271**
Consolidated effective equity	4,629,910	4,122,749
Consumption % (including CR and MR)	53.15%	59.24%
Basel ratio (including market risk)	15.05%	13.50%

5) Risk data engineering and reporting

Risk data engineering and reporting includes the management of provisions and regulatory limits, quality assurance, risk reporting and model risk management.

Model risk management

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.

6) Enterprise risk management (operational risk, cybersecurity & IT risk, business continuity and risk management)

The Bank recognizes cybersecurity & IT, data, operational, continuity 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

Information technology risk (cybersecurity & IT) relates to the risk of financial loss, disruption or reputational damage due to some type of failure in IT systems. Cybersecurity risks are a subset of the unique IT risks that the Bank faces as a result of the use of interconnected systems and digital technologies.

The Board approves the related policies and frameworks that focus on safeguarding the Bank and its customers' information, ensuring that the Bank's IT environment is reliable, secure, resilient and robust in support of our business objectives.

Cybersecurity risk is addressed within the cybersecurity strategy, which is the adoption of the National Institute of Standards and Technology (NIST). Within this strategy, the functions of identify, detect, protect, respond and recover have been implemented. These functions contain a series of controls that manage cybersecurity risk and indicators have been established to measure it, one of them is the Security Risk Index (SRI) – Protect, that measures the risk of exposure of all technology platforms. Activities and action plans are constantly developed when the level of risk is outside the threshold.

Operational risk

Operational risk is the risk of loss derived from people, from inadequate processes and systems or their failures or from external events. Operational risk includes risk management with third parties and legal risk but excludes strategic risk and reputational risk.

Operational risk exists, in a certain way, in each of the business and support activities of the Bank and its subsidiaries, and could give rise to financial losses, regulatory sanctions or damage to the reputation of the institution.

Operational risk management is a continuous process that goes across the organization, carried out by people at all levels of the Bank and its subsidiaries.

The process is designed to identify, evaluate, monitor and report risks and events, current and potential, mitigate the effects, as well as to provide reasonable assurance to the Board of Directors and senior management, on the status of exposure and management of operational risk of the Bank and its subsidiaries.

The Bank and its subsidiaries adopted the three lines of defense model, consistent with the risk management framework, which establishes the related responsibilities for managing operational risk.

The Bank manages its operational risks with a governance structure made up of the Board of Directors in its highest-ranking role in approving strategies and risk management, the enterprise risk management department, the non-financial risk management committee, the risks and control areas (second lines). In addition, the Bank has policies, processes and evaluation methodologies to ensure that operational risk is properly identified and managed through effective controls.

As at December 31, 2023, the Bank and its subsidiaries have recognized MCh$16,074 for operational risk events (MCh$14,470 as at December 31, 2022).

Net loss expense, gross loss and expense recoveries from operational risk events	12/31/2023 MCh$	12/31/2022 MCh$
Internal fraud	(248)	(1,106)
External fraud	(15,550)	(11,417)
Labor practices and safety in the business	(126)	(56)
Customers, products and business practices	(1,760)	(170)
Damage to physical assets	(29)	(21)
Business interruption and system failures	(555)	(612)
Execution, delivery and process management	(2,139)	(4,336)
Gross loss in the period due to operational risk events	**(20,407)**	**(17,718)**
Internal fraud	1,030	-
External fraud	2,707	2,381
Labor practices and safety in the business	15	-
Customers, products and business practices	-	-
Damage to physical assets	7	3
Business interruption and system failures	-	123
Execution, delivery and process management	574	741
Gross loss recoveries in the period due to operational risk events	**4,333**	**3,248**
Net loss in the period due to operational risk events	**(16,074)**	**(14,470)**

Operational incident management

The management on operational incidents begins with the identification of an incident by one of the operational risk coordinators present in each division of the Bank, they will be responsible for consolidating, preparing and communicating the related background information. Each incident is subject to an impact analysis and the need to generate an action plan to mitigate the impact and/or frequency of the incident and prevent its future occurrence. Operational incidents are reported to the related instances as appropriate with their related status and action plans and according to RAN Chapter 20-8 to the CMF.

Data risk

Data risk is the exposure to adverse financial and non-financial consequences (e.g., loss of revenue, reputational risk, regulatory risk, suboptimal management decisions) caused by mismanagement, misinterpretation, or misuse of the Bank’s data assets. This risk can arise from lack of data risk knowledge; insufficient data risk oversight, governance and controls; inappropriate data management and poor data quality; poor data security and protection; and inappropriate, unplanned or unethical data use.

The Data Risk Management Framework (DRMF) describes the general guiding principles of data risk management and defines the governance structure of the institutional data risk management program. The Data Risk Management Policy (DRMP) categorizes and explains data-related risks and describes the interaction model and the duties and responsibilities of the key stakeholders involved in data risk management within the organization.

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 (Chief information security officer) on Cloud Outsourcing, TPRM (Third party risk management) has adopted the definition of Cloud Computing published in the National Institute of Standards and Technology (NIST) “NIST Definition of Cloud Computing - special publication No. 800-145”.

Cloud computing refers to the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or personal computer. Cloud computing is a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (for example, networks, servers, storage, applications, and services) that can be rapidly supplied and released with minimal management effort and interaction by the service provider.

Outsourcing of strategic and non-strategic services

A service is strategic for the Bank when it has the greater potential to impact or have a significant influence (either quantitative or qualitative) on the Bank's operations or reputation. Services that are not classified in the previous category correspond to non-strategic services.

Business continuity

The Bank is committed to take reasonably necessary steps to ensure business continuity during conditions that could disrupt the operations of the workplace or its environment. To achieve this, all business units must incorporate business continuity management practices to create resilient, alternative and/or redundant mechanisms to guarantee the continuity of operations based on the criticality rating established by the business unit itself.

7) 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.

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).

As at December 31, 2023	Local systemic gap		Global systemic gap		Idiosyncratic gap		Idiosyncratic gap	
All currencies	30 days	90 days	30 days	90 days	30 days	30 days	30 days	90 days
Liquidity gap	2,267,355	2,267,355	2,267,355	2,267,355	2,273,238	2,273,238	2,273,238	2,273,238
Liquid asset hedge	1,542,301	1,513,044	1,500,732	1,536,511	1,411,976	1,399,329	1,276,177	1,202,039
Liquidity need / excess	**3,809,656**	**3,780,399**	**3,768,087**	**3,803,866**	**3,685,214**	**3,672,567**	**3,549,415**	**3,475,277**

As at December 31, 2022	Individual crisis		Systemic crisis		Global crisis	
All currencies	30 days	100 days	30 days	100 days	30 days	100 days
Liquidity gap	(162,678)	(1,068,397)	(53,662)	(1,066,160)	97,076	(461,666)
Liquid asset hedge	2,339,764	3,100,861	2,339,764	3,100,861	2,339,764	3,100,861
Liquidity need / excess	**2,177,086**	**2,032,464**	**2,286,102**	**2,034,701**	**2,436,840**	**2,639,195**

(*) As at the December 2023 Board's meeting, a new liquidity stress model was approved, which now considers 4 scenarios, in addition to a new segmentation.

The established limit structure and its daily control ensure that liquidity management falls within the margins established by ALCO and approved by the Board of Directors. This is strengthened by the proper segregation of duties, accountability and control by opposition defined in the Bank's organizational structure and its subsidiaries, allowing liquidity management to be performed without conflict of interest.

Supplementing the liquidity management, liquidity stress tests are performed. Indeed, such tests estimate the impact that the different internal, systemic and global liquidity scenarios have on the financing of the Bank and its subsidiaries, through the analysis of liquidity gaps, coverage of liquid assets, amount of additional financing (liquidity excess), horizon of survival, state of internal and regulatory limits.

Scotiabank Chile controls its exposure to liquidity risks at the individual and consolidated level through a tight term mismatch approach, which is complemented by the measurement of liquid assets, concentration and liquidity ratios.

In addition, it has complementary tools that allow managing the concentration of assets and liabilities compared to sources, counterparties, terms and currencies.

Regarding the measurement of adjusted term mismatches, the Bank separates its exposures into two large groups of currencies.

- **Local currency**: includes operations designated in domestic currency, including revalued currencies under local indexation units.
- **Foreign currency**: refers to operations designated in some foreign currency or whose settlement is in foreign currency.

These measurements report mismatches up to a horizon of 90 days, including the flows from operations with financial derivatives. Additionally, the institution projects the movements of income and expense flows for the next 10 days.

As at December 31, 2023	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	(3,876,649)	(5,097,678)	(6,708,344)	(11,517,739)				
Income	3,103,108	4,455,729	5,546,123	8,743,427				
Mismatch	**(773,541)**	**(641,949)**	**(1,162,221)**	**(2,774,312)**	**-**	**-**	**-**	**-**
Foreign currency								
Expenses	(1,202,594)	(2,015,406)	(3,743,372)	(7,601,626)				
Income	998,700	1,541,814	2,613,081	5,659,911				
Mismatch	**(203,894)**	**(473,592)**	**(1,130,291)**	**(1,941,715)**	**-**	**-**	**2,358,476**	**-**
Consolidated currencies								
Expenses	(5,079,243)	(7,113,084)	(10,451,716)	(19,119,365)				
Income	4,101,808	5,997,543	8,159,204	14,403,338				
Mismatch	**(977,435)**	**(1,115,541)**	**(2,292,512)**	**(4,716,027)**	**-**	**-**	**1,196,255**	**2,261,507**

Basic capital	**3,488,767**
2 Basic capital	**6,977,534**

File C46 limit "Liquidity position"

As at December 31, 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	(4,048,782)	(4,551,607)	(6,306,585)	(12,378,842)				
Income	2,606,698	3,656,794	5,920,206	12,296,783				
Mismatch	**(1,442,084)**	**(894,813)**	**(386,379)**	**(82,059)**	**-**	**-**	**-**	**-**
Foreign currency								
Expenses	(1,024,595)	(1,605,258)	(2,782,452)	(6,388,563)				
Income	1,251,190	1,435,934	1,881,943	3,890,052				
Mismatch	**226,595**	**(169,324)**	**(900,509)**	**(2,498,511)**	**-**	**-**	**2,244,035**	**-**
Consolidated currencies								
Expenses	(5,073,377)	(6,156,865)	(9,089,037)	(18,767,405)				
Income	3,857,888	5,092,728	7,802,149	16,186,835				
Mismatch	**(1,215,489)**	**(1,064,137)**	**(1,286,888)**	**(2,580,570)**	**-**	**-**	**1,857,656**	**3,708,518**

Basic capital	**3,144,544**
2 Basic capital	**6,289,088**

File C46 limit "Liquidity position"

Volume and composition of liquid assets

	12/31/2023 MCh$	12/31/2022 MCh$
Available funds	163,172	293,151
Exchange and overnight	401,565	723,273
Escrow fund	670,316	341,007
Financial investments	1,684,675	3,297,830
Total liquid assets	**2,919,728**	**4,655,261**

Composition of main sources of financing

	12/31/2023 MCh$	12/31/2022 MCh$
Deposits and other on-demand obligations	4,872,271	5,096,474
Deposits and term loans	13,269,408	14,070,551
Obligations with banks	5,388,854	5,358,338
Debt instruments issued	9,384,319	8,688,099
Other financial obligations	7,634,130	9,439,561
Total	**40,548,982**	**42,653,023**

Maturities of assets and liabilities reported as at December 31, 2023 and December 31, 2022 are detailed as follows:

As at December 31, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash	1,209,884	-	-	-	-	-	-
Cash loans	277,989	885,825	1,498,631	3,937,559	30,284,155	80,603	277,949
Loans in LCHR	52	1,569	2,846	12,071	79,258	-	-
Leased contracts	-	30,763	59,045	224,002	588,059	78,526	58,526
Covenants	22,692	170,824	15,265	-	-	-	-
Financial investments	(11,082)	1,499,094	3,059	2,124,577	18,586	21,474	89,957
Other asset accounts	552,525	-	-	-	-	-	377,008
TOTAL ASSETS	**2,052,060**	**2,588,075**	**1,578,846**	**6,298,209**	**30,970,058**	**180,603**	**803,440**
On-demand obligations	(1,960,189)	(53,632)	(169,433)	(1,797,881)	(898,941)	-	-
Term deposits, bonds and other	(118,660)	(3,626,649)	(3,250,408)	(6,700,112)	(3,705,658)	(1,526,550)	(5,406,706)
Covenants	-	(160,297)	(3,497)	(3,030,026)	-	-	-
Obligations due to LCHR	(1)	(4,714)	(271)	(13,831)	(28,827)	(19,099)	(40,002)
Obligations in Chile	-	-	-	-	-	-	-
Obligations abroad	(8,335)	(6,963)	(319,400)	(1,298,472)	(302,160)	(598,896)	-
Other liability accounts	(536,590)	-	(4,672)	(107,866)	-	-	(502,950)
TOTAL LIABILITIES	**(2,623,775)**	**(3,852,255)**	**(3,747,681)**	**(12,948,188)**	**(4,935,586)**	**(2,144,545)**	**(5,949,658)**

As at December 31, 2022	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Cash	1,262,127	-	-	-	-	-	-
Cash loans	37,241	939,812	1,782,947	3,801,981	31,593,880	73,609	300,655
Loans in LCHR	15	1,744	2,987	12,620	94,714	-	-
Leased contracts	-	-	53,786	196,882	609,165	66,138	70,685
Covenants	4,881	220,540	-	-	-	-	-
Financial investments	242,789	1,604,127	833,397	15,092	5,645	973	76,314
Other asset accounts	752,011	-	-	-	-	-	524,016
TOTAL ASSETS	**2,299,064**	**2,766,223**	**2,673,117**	**4,026,575**	**32,303,404**	**140,720**	**971,670**
On-demand obligations	(2,289,726)	-	-	(1,875,508)	(937,754)	-	-
Term deposits, bonds and other	(63,149)	(3,096,660)	(3,571,556)	(7,388,116)	(3,592,103)	(2,021,970)	(4,492,584)
Covenants	(63,411)	(149,746)	-	-	(3,030,026)	-	-
Obligations due to LCHR	(1)	(5,177)	(352)	(14,683)	(33,555)	(21,859)	(46,579)
Obligations in Chile	(1)	-	-	-	-	-	-
Obligations abroad	(135)	(75,971)	(433,721)	(1,313,248)	(268,793)	(332,266)	-
Other liability accounts	(715,077)	-	(2,400)	(138,567)	-	-	(511,169)
TOTAL LIABILITIES	**(3,131,500)**	**(3,327,554)**	**(4,008,029)**	**(10,730,122)**	**(7,862,231)**	**(2,376,095)**	**(5,050,332)**

The following table details the changes in liabilities arising from financing activities, including those changes that represent cash flows and non-cash changes, for the year ended December 31, 2023:

Reconciliation of liabilities arising from financing activities:	Opening balance as at 12/31/2022	Cash Flow	*Changes other than cash* Acquisition/ (Disposals)	Foreign currency movement	Movements in UF	Change in fair value	Interests	Closing balance as at 12/31/2023
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$		MCh$
Current bonds	7,606,930	(239,797)	-	247,508	40,828	(3,620)	446,350	8,098,199
Subordinated bonds	987,943	22,070	-	-	58,070	-	133,131	1,201,214
Dividends paid - Owners	146,260	(146,260)	122,388	-	-	-	-	(146,260)
Dividends paid - Non-controlling interest	-	(10,006)	-	-	-	-	-	(10,006)
Lease contract obligations	160,376	(15,422)	(42)	-	-	-	4,396	149,308
Total liabilities from financing activities	**8,901,509**	**(389,415)**	**122,346**	**247,508**	**98,898**	**(3,620)**	**583,877**	**9,292,455**

8) Counterparty risk

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

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

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

12/31/2023	Asset fair value MCh$	Credit risk adjustment MCh$
Total	(40,988)	9,756

12/31/2022	Asset fair value MCh$	Credit risk adjustment MCh$
Total	(527,841)	13,141

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 adverse scenarios that may materialize in the short and medium-term, meeting its solvency and credit rating objectives. It should be noted that the capital levels maintained by the Bank exceed the solvency 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 regular 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 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) became effective, as described in the following regulations, RAN 21-6 for Credit Risk Weighted Assets, RAN 21-7 for Market Risk Weighted Assets and RAN 21-8 for Operational Risk Weighted Assets.

In the present year, in April 2023, the first full IAPE was delivered as established in the schedule for the implementation of Basel III. Such report is intended to perform a self-assessment process (Pillar 2), which ensures that banks keep a capital level that is in accordance with their risk profile and foster development and the use of proper processes for monitoring and managing the risks they face. Such internal evaluation process, which subsequently the CMF uses to assess such process fulfilling its oversight role will allow it to require capital additional to the floor requirement in the event of noting risks not hedged by Pillar 1 to guarantee a level adequate to face risks, especially in adverse credit cycles.

Additionally, during 2023, information tables required by Pillar 3 have started being reported. Pillar 3 refers to market discipline and financial transparency through disclosing significant and timely information, which allows keeping the different market players informed and allows information users to perform a better assessment of each entity's position, by being aware of the risk profile of the different local banking institutions, their position and capital structure in a unique format, thereby decreasing information mismatch.

Capital requirements

In accordance with the General Banking Law, the Bank must maintain minimum effective equity to risk-weighted consolidated assets ratio of 8%, net of allowances required, and a minimum basic capital ratio of 4.5% over risk-weighted assets, 6% of basic capital plus AT1 bonds, and 3% on total consolidated assets, net of allowances required. In addition, and in accordance with the regulatory implementation schedule for such law, capital buffers such as the conservation buffer, the systemically important buffer, the countercyclical buffer and/or Pillar 2 capital charges must be complied with.

For these purposes, effective equity is determined based on capital and reserves or basic capital with the following adjustments:

a) Adding bonds with no maturity and/or preference shares that meet the requirements and conditions contained in RAN 21-2, if any.
b) Adding subordinated bonds that meet the requirements established in RAN 21-3 with a limit of 50% of the Basic Capital.
c) Additional allowances are added with a limit of 1.25% of credit risk weighted assets.

Note that, regarding the equity adjustments described in RAN 21-1, they are applicable at 15% from December 1, 2022, and beginning on December 1, 2023, this percentage was increased to 30%, in accordance with the standard's implementation schedule.

In March 2023, the CMF reported that Scotiabank maintains its rating as a systemically important bank, confirming the 1.25% systemic buffer already required from the Bank (as at December 2023 50% of such systemic buffer is required). In addition, during May, Banco Central de Chile informed that its Board decided to activate the countercyclical capital requirement (CCR) of 0.5% of RWA, which will be enforceable in one year beginning in May 2024. Finally, in accordance with the effective equity self-assessment report (IAPE), the CMF did not establish additional Pillar 2 capital charges for the Bank.

As at December 2023, in accordance with the transitional provisions applicable to the systemic charge, considering 100% of the conservation buffer in order to maintain grade A solvency, the minimum required level of regulatory capital for the Bank is 11.13%.

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

Total assets, risk-weighted assets and effective equity components under Basel III	Local consolidated 12/31/2023 MCh$	Local consolidated 12/31/2022 MCh$
Total assets as per the statement of financial position	44,713,481	46,460,625
Investment in subsidiaries not subject to consolidation	-	-
Assets discounted from regulatory capital , other than item 2	(89,724)	(44,299)
Credit equivalent	(3,674,704)	(4,621,630)
Contingent loans	1,585,586	1,771,354
Assets generated by the intermediation of financial instruments	-	-
Total assets for regulatory purposes	**42,534,639**	**43,566,050**
Credit risk weighted assets, estimated under standard methodologies (CRWA)	25,019,225	25,046,401
Credit risk weighted assets, estimated under internal methodologies (CRWA)	-	-
Market risk weighted assets (MRWA)	3,000,163	3,042,505
Operational risk weighted assets (ORWA)	2,738,932	2,439,484
Risk weighted assets (RWA)	**30,758,320**	**30,528,390**
Risk weighted assets, after applying output floor (RWA)	**30,758,320**	**30,528,390**
Owners' equity	3,436,157	3,047,091
Non-controlling interest	138,821	140,227
Goodwill	-	-
Excess of minority investments	-	-
Common Equity Tier 1 equivalent (CET1)	**3,574,978**	**3,187,318**
Additional deductions from common equity tier 1, other than Tier 2	(124,151)	(51,339)
Common Equity Tier 1 (CET1)	**3,450,827**	**3,135,979**
Voluntary (additional) provisions allocated as Additional Tier 1 Capital (AT1)	-	-
Subordinated bonds allocated as Additional Tier 1 Capital (AT1)	-	152,642
Preference shares allocated to Additional Tier 1 Capital (AT1)	-	-
Bonds with no maturity allocated to Additional Tier 1 Capital (AT1)	-	-
Discounts on AT1	-	-
Additional Tier 1 Capital (AT1)	**-**	**152,642**
Tier 1 Capital	**3,450,827**	**3,288,621**
Voluntary (additional) provisions allocated as Additional Tier 2 Capital (AT2)	164,248	164,248
Subordinated bonds allocated as Tier 2 Capital (AT2)	1,014,835	669,880
Tier 2 Capital equivalent (T2)	**1,179,083**	**834,128**
Discounts on AT2	-	-
Tier 2 Capital (T2)	1,179,083	834,128
Effective equity	4,629,910	4,122,749
Additional basic capital required to constitute a conservation buffer	**392,401**	**381,605**
Additional basic capital required to constitute a countercyclical buffer	**-**	**-**
Additional basic capital required from systemically important banks	**98,100**	**95,401**
Additional capital required to assess the adequacy of effective equity (Pillar 2)	**-**	**-**

Disclosures on regulatory capital and capital adequacy ratios

Item No.	Solvency ratios and regulatory compliance ratios under Basel III (as % including two decimals)	Local consolidated 12/31/2023 %	Local consolidated 12/31/2022 %
1	**Leverage ratio (T1_I18/T1_I7)**	**8.11%**	**7.20%**
1.a	Leverage ratio to be complied with by the Bank, considering minimum requirements	3.00%	3.00%
2	**Basic capital ratio (T1_I18/T1_11.b)**	**11.22%**	**10.27%**
2.a	Basic capital ratio to be complied with by the Bank, considering minimum requirements	6.63%	4.81%
2.b	Deficit in capital buffers	0.00%	0.00%
3	**Tier 1 capital ratio (T1_I25/T1_I11.b)**	**11.22%**	**10.77%**
3a	Tier 1 capital ratio to be complied with by the Bank, considering minimum requirements	6.63%	6.31%
4	**Effective equity ratio (T1_I31/T1_I11.b)**	**15.05%**	**13.50%**
4.a	Effective equity ration to be complied with by the Bank, considering minimum requirements	8.63%	8.31%
4.b	Effective equity ratio to be complied with by the Bank, considering the charge per Article 35bis, if applicable	8.63%	8.31%
4.c	Effective equity ratio to be complied with by the Bank, considering minimum requirements, conservation buffer and countercyclical buffer	10.50%	9.56%
5	**Solvency rating**	**A**	**A**
	Solvency regulatory compliance ratios		
6	**Voluntary (additional) provisions associated with CRWA allocated to Tier 2 Capital (T2) (T1_I26/(T1_I8.a ó 8.b))**	**0.66%**	**0.66%**
7	**Subordinated bonds allocated to Tier 2 Capital (T2) associated with Common Equity Tier 1 (CET1)**	**29.41%**	**21.36%**
8	**Additional Tier 1 Capital (AT1) associated with basic capital (T1_I24/T1_I18)**	**0.00%**	**4.87%**
9	**Voluntary (additional provisions) and subordinated bonds associated with RWA allocated to Additional Tier 1 Capital (AT1) ((T1_I19+T1_I20)/T1_I11.b)**	**0.00%**	**0.50%**

Note 49 Subsequent events

The Consolidated Financial Statements were approved by the Board at the Meeting held on January 25, 2024.

On January 17, 2024, the CMF has published a press release on the progress of the implementation of Basel III standards, applying the additional capital requirement regulations in accordance with Pillar 2.

Following the review and overview assessment process performed by the CMF, Scotiabank has been informed of the resolution adopted by the Board for the additional effective equity requirements.

The CMF's decision establishes a Pillar 2 requirement at consolidated level of 1% of which at least 56.3% must be met with Common Equity Tier 1 ("CET1") and the remaining balance using other capital instruments (AT1 or Tier 2), such additional requirement must be met within 4 years (25% from June 2024), and will be assessed annually through the oversight process.

The table below shows the minimum CET1 and total capital requirements at consolidated level effective as at December 31, 2023 and beginning on June 2024, and Scotiabank's ratios as at December 31, 2023:

	Minimum requirements		Ratios
	December 2023	June 2024	12/31/2023
CET 1 (CET1/APR)	7.63%	8.27%	11.22%
Total capital (PE/APR)	11.13%	11.88%	15.05%

As described in the table, Scotiabank maintains sufficient buffers to cover the required additional 1% over the requirements in both CET1 and total capital.

In the view of the Bank's Management and its subsidiaries, between January 1, 2024 and the date of issuance of these Consolidated Financial Statements, no other subsequent events have occurred that could have a significant effect on the figures presented herein or on the economic and financial position of the Bank and its subsidiaries.

CHRISTIAN HURTADO F.
Chief Accountant

LUIS ALVAREZ P.
Finance Division Manager

DIEGO MASOLA
Chief Executive Officer

SCOTIABANK CHILE

Avenida Costanera Sur No. 2710
Torre A
Las Condes, Santiago
Chile
Postal Code 7550692

ARRANGERS

BofA Securities, Inc. One Bryant Park New York, NY 10036 United States	J.P. Morgan Securities LLC 383 Madison Avenue New York, NY 10179 United States	Scotia Capital (USA) Inc. 250 Vesey Street New York, NY 10281 United States

DEALERS

Scotiabank Europe plc 201 Bishopsgate London EC2M 3NS United Kingdom	The Bank of Nova Scotia, Hong Kong Branch 21/F, Central Tower 28 Queen’s Road Central Hong Kong	BofA Securities, Inc. One Bryant Park New York, NY 10036 United States	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E145JP United Kingdom	Goldman Sachs & Co. LLC 200 West Street New York, NY 10282 United States

FISCAL AGENT, U.S. PAYING AGENT, NON-U.S. PAYING AGENT, U.S. TRANSFER AGENT, NON-U.S. TRANSFER AGENT, U.S. REGISTRAR, NON-U.S. REGISTRAR AND CALCULATION AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5 LB
United Kingdom

AUDITORS

KPMG Auditores y Consultores Ltda
Avenida Isidora Goyenechea 3520, piso 2
Las Condes, Santiago
Chile
Postal Code 7550071

LEGAL ADVISERS

To the Issuer

As to United States Law:
White & Case LLP
1221 Avenue of the Americas
New York, NY 10020
United States

As to Chilean Law:
Garrigues Chile Limitada
Avenida Isidora Goyenechea 3477, piso 12
Las Condes, Santiago
Chile
Postal Code 7550106

To the Dealers

As to United States Law:
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
United States

As to Chilean Law:
Philippi, Prietocarrizosa, Ferrero DU & Uría SpA.
Avenida El Golf 40, piso 20
Las Condes, Santiago
Chile
Postal Code 7550107

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