

Consolidated Financial Statements

QUIÑENCO S.A. AND SUBSIDIARIES

Santiago, Chile

As of December 31, 2022 and 2021 and for the years then ended

Independent Auditor's Report

(Translation of financial statements originally issued in Spanish - See Note 2)

To the
Shareholders and Directors of
Quiñenco S.A.:

We have audited the accompanying consolidated financial statements of Quiñenco S.A. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with instructions and standards of preparation and presentation of financial information issued by the Chilean Commission for the Financial Market ("CMF") as described in Note 2 (b) to the consolidated financial statements. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of the subsidiaries Compañía Sud Americana de Vapores S.A. and SM SAAM S.A., of which the total assets represent, at the aggregate level, 13.50% and 10.16% of the total consolidated assets as of December 31, 2022 and 2021 respectively, and ordinary revenue that represents 8.26% and 9.66% of the consolidated revenue for the years then ended. We did not audit the consolidated financial statements of the associates Inversiones y Rentas S.A. y Nexans S.A., which are investments disclosed in the consolidated financial statements of Quiñenco S.A. through the equity method and which represent a total asset of ThCh\$804,777,748 and ThCh\$763,506,719 as of December 31, 2022 and 2021, and accrued net profits of ThCh\$91,386,540 and ThCh\$98,929,242 for the years then ended.

These financial statements were audited by other auditors, whose reports have been provided to us, and our opinion, regarding the included amounts of the subsidiaries and associates mentioned above, is only based on the reports of those auditors. We conduct our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements of the entity 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 the entity. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of Quiñenco S.A. and its subsidiaries as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended, in accordance with instructions and standards of preparation and presentation of financial information issued by the Chilean Commission for the Financial Market ("CMF") as described in Note 2 (b) to the consolidated financial statements.

Accounting Basis

The subsidiary Banco de Chile (controlled through LQ Inversiones Financieras S.A.) is regulated by the Chilean Commission for the Financial Market ("CMF"), and therefore, it is required to apply the accounting standards for banking entities in the preparation of their consolidated financial statements. This regulator has instructed that companies that maintain investments in bank subsidiaries may use, for the purposes of preparing their consolidated financial statements, the information provided directly by bank subsidiaries without being subject to conversion adjustments. Consequently, the Company has consolidated the Bank's financial statements without any translation adjustment. In accordance with the foregoing, the Company has chosen to consolidate the financial statements of the subsidiary Banco de Chile, without making any conversion adjustments to International Financial Reporting Standards.



Eduardo Rodríguez B.
EY Audit Ltda.

Santiago, March 30, 2023



QUIÑENCO S.A.

QUIÑENCO S.A. AND SUBSIDIARIES

Consolidated Financial Statements
As of December 31, 2022 and 2021
and for the years then ended
(Thousands of Chilean pesos - ThCh\$)

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Consolidated Financial Statements

QUIÑENCO S.A. AND SUBSIDIARIES

As of December 31, 2022 and 2021
and for the years then ended
(Thousands of Chilean pesos - ThCh\$)

Assets	Note	12/31/22 ThCh\$	12/31/21 ThCh\$
Non-banking sector			
Current assets			
Cash and cash equivalents	4	672,577,057	644,275,755
Other financial assets, current	5	55,283,939	8,697,610
Other non-financial assets, current	6	82,709,143	30,863,166
Trade and other receivables, current	7	295,621,128	268,253,791
Related party receivables, current	8	58,743,586	44,393,825
Inventory, current	9	227,263,353	132,546,221
Current tax assets		475,701,000	27,577,966
Total current assets other than assets or groups of assets classified as held-for-sale or held-for-distribution to the owners		1,867,899,206	1,156,608,334
Non-current assets or disposal groups classified as held for sale	10	623,661,039	82,268,667
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners		623,661,039	82,268,667
Total current assets		2,491,560,245	1,238,877,001
Non-current assets			
Other financial assets, non-current	11	61,079,719	78,049,750
Other non-financial assets, non-current	12	14,599,706	13,390,808
Receivables, non-current	7	605,628	12,749,751
Related party receivables, non-current	8	-	1,483,082
Inventory, non-current	9	3,453,395	1,683,467
Investments accounted for using the equity method	13	8,705,835,958	5,731,318,346
Intangible assets other than goodwill	14	250,075,082	370,844,847
Goodwill	15	1,002,398,197	993,359,175
Property, plant and equipment	17	1,115,818,017	1,147,866,347
Right-of-use assets	18	289,468,966	285,113,283
Investment properties	19	15,644,124	18,220,171
Non-current tax assets		-	-
Deferred tax assets	20	516,748,026	297,306,537
Total non-current assets		11,975,726,818	8,951,385,564
Total non-banking sector assets		14,467,287,063	10,190,262,565
Banking sector assets			
Cash and due from banks	40.5	2,764,883,901	3,713,732,597
Transactions in the course of collection	40.5	772,195,964	486,699,986
Financial instruments held for trading at fair value through profit and loss	40.6	6,651,098,959	6,582,192,792
Financial assets at fair value through other comprehensive income	40.9	3,967,391,895	3,054,809,980
Financial derivative contracts for hedging purposes	40.10	27,076,908	277,803,145
Financial assets at amortized cost	40.11	38,896,848,570	35,813,068,235
Rights under resale agreements and securities borrowing	40.11	54,061,245	64,365,192
Debt financial instruments	40.11	902,355,480	839,744,154
Loans and advances to banks	40.11	2,174,114,579	1,529,312,880
Customer loans and receivables - commercial	40.11	19,721,414,901	19,085,646,036
Customer loans and receivables – residential mortgage	40.11	11,386,851,763	10,315,919,980
Customer loans and receivables - consumer	40.11	4,658,050,602	3,978,079,993
Investments in other companies	40.12	62,210,577	52,756,655
Intangible assets	40.13	106,620,458	72,532,161
Property, plant and equipment	40.14	210,123,866	222,319,399
Right-of-use assets	40.15	94,921,318	100,187,846
Current taxes	40.16	187,401,200	845,646
Deferred taxes	40.16	539,509,352	434,277,184
Other assets	40.17	814,111,682	795,449,059
Non-current assets and disposal groups held for sale	40.18	10,867,929	19,418,986
Total banking sector assets		55,105,262,579	51,626,093,671
Total assets		69,572,549,642	61,816,356,236

Liabilities	Note	12/31/22	12/31/21
Non-banking sector		ThCh\$	ThCh\$
Current liabilities			
Other financial liabilities, current	21	602,648,715	456,383,655
Lease liabilities, current	18	33,281,609	34,427,031
Trade and other payables, current	22	394,285,967	304,717,068
Related party payables, current	8	1,279,511	823,145
Other provisions, current	23	48,220,135	19,518,445
Current tax liabilities		45,369,761	16,663,600
Provisions for employee benefits, current	24	34,625,253	34,557,904
Other non-financial liabilities, current	25	1,559,511,338	439,839,327
Total current liabilities other than liabilities included in disposal groups classified as held for sale		2,719,222,289	1,306,930,175
Liabilities included in disposal groups classified as held for sale	10	233,706,267	3,379
Total current liabilities		2,952,928,556	1,306,933,554
Non-current liabilities			
Other financial liabilities, non-current	21	2,002,642,527	2,021,638,509
Lease liabilities, non-current	18	256,721,693	242,378,462
Trade and other payables, non-current	22	134,370	-
Related party payables, non-current	8	-	-
Other provisions, non-current	23	39,328,274	33,026,957
Deferred tax liabilities	20	179,644,745	208,533,849
Provisions for employee benefits, non-current	24	19,126,759	23,334,670
Other non-financial liabilities, non-current	26	56,487	37,189
Total non-current liabilities		2,497,654,855	2,528,949,636
Total non-banking sector liabilities		5,450,583,411	3,835,883,190
Banking liabilities			
<u>Banking sector liabilities (Presentation)</u>			
Transactions in the course of payment	40.5	681,791,990	369,980,324
Financial liabilities held for trading at fair value through profit and loss		3,107,752,904	2,782,113,183
Financial derivative contracts	40.19	3,101,481,878	2,772,502,828
Others	40.19	6,271,026	9,610,355
Financial derivative contracts for hedging purposes	40.10	223,015,559	696,194
Financial liabilities at amortized cost		42,756,546,698	40,773,180,920
Current accounts and other demand deposits	40.20	13,378,131,424	18,212,612,786
Savings accounts and time deposits	40.20	14,152,498,508	8,801,903,887
Obligations under repurchase agreements and securities lending	40.20	216,263,788	85,399,071
Borrowings from financial institutions	40.20	5,397,675,856	4,861,866,021
Debt instruments issued	40.20	9,267,947,051	8,561,394,646
Other financial obligations	40.20	344,030,071	250,004,509
Lease liabilities	40.15	89,369,310	95,670,160
Regulatory capital financial instruments issued	40.21	1,010,905,166	917,509,514
Provisions for contingencies	40.22	176,025,668	143,858,354
Provisions for dividends, interest and reappraisal of regulatory capital financial instruments issued	40.23	253,526,063	158,223,699
Special provisions for credit risk	40.24	765,765,518	601,573,883
Current taxes	40.16	931,565	113,129,064
Other liabilities	40.25	1,054,921,771	1,303,674,243
Total banking sector liabilities		50,120,552,212	47,259,609,538
Total liabilities		55,571,135,623	51,095,492,728
Equity			
Issued capital	28	1,223,669,810	1,223,669,810
Retained earnings		5,558,459,930	3,565,784,533
Share premium	28	31,538,354	31,538,354
Other reserves	28	515,839,806	553,268,218
Equity attributable to owners of the controller		7,329,507,900	5,374,260,915
Non-controlling interests		6,671,906,119	5,346,602,593
Total equity		14,001,414,019	10,720,863,508
Total liabilities and equity		69,572,549,642	61,816,356,236

Statement of Income	Note	01/01/22 12/31/22 ThCh\$	01/01/21 12/31/21 ThCh\$
Non-banking sector			
Revenue	29 a)	4,891,034,721	3,219,446,546
Cost of sales		(4,276,775,514)	(2,749,286,459)
Gross margin		614,259,207	470,160,087
Other revenue by function		7,959,799	8,692,200
Distribution costs		-	-
Administrative expenses		(507,273,780)	(369,434,926)
Other expenses by function	29 b)	(10,521,789)	(4,324,481)
Other losses	29 c)	(15,259,296)	(9,982,615)
Operating income		89,164,141	95,110,265
Finance income		33,927,661	6,097,690
Finance costs	29 d)	(109,198,285)	(80,179,243)
Impairment losses according to IFRS 9		-	-
Share of income of associates and joint ventures accounted for using the equity method	13	4,775,368,960	2,598,922,273
Exchange differences		(8,240,085)	(14,641,697)
Loss from indexation adjustments		(160,727,180)	(76,464,573)
Net income before taxes		4,620,295,212	2,528,844,715
Income tax expense	20	163,241,042	(4,781,836)
Net gain from continuing operations		4,783,536,254	2,524,062,879
Net income from discontinued operations	10	19,660,749	36,356,210
Non-banking sector net income		4,803,197,003	2,560,419,089
<u>Banking sector (Presentation)</u>			
Net interest income	40.27	1,281,305,904	1,098,588,428
Net indexation income	40.28	955,879,766	455,144,949
Net fee income	40.29	531,619,440	468,362,933
Net gain from financial transactions	40.30	303,384,518	150,957,023
Result of investments in other companies	40.31	13,579,908	2,240,604
Income from non-current assets and disposal groups held for sale not admissible as discontinued operations	40.32	2,004,084	4,109,079
Other operating income	40.33	29,658,404	19,813,795
Payroll and personnel expenses	40.34	(528,226,066)	(450,952,565)
Administrative expenses	40.35	(355,273,576)	(322,876,869)
Depreciation and amortization	40.36	(84,205,252)	(76,798,518)
Impairment of non-financial assets	40.37	(77,123)	(1,422,403)
Other operating expenses	40.33	(27,701,396)	(19,436,755)
Operating income before credit loss expense		2,121,948,611	1,327,729,701
Credit loss expense	40.38	(435,117,020)	(357,065,531)
Net income before taxes		1,686,831,591	970,664,170
Income tax expense	40.16	(275,756,597)	(178,279,956)
Net income from continuing operations		1,411,074,994	792,384,214
Net income from the non-banking sector		1,411,074,994	792,384,214
Consolidated net income		6,214,271,997	3,352,803,303
<u>Net income attributable to:</u>			
Owners of the controller		3,535,321,747	1,893,145,641
Non-controlling interests		2,678,950,250	1,459,657,662
Net income		6,214,271,997	3,352,803,303

Statement of Comprehensive Income	01/01/22	01/01/21
	12/31/22	12/31/21
	ThCh\$	ThCh\$
Net income for the year	6,214,271,997	3,352,803,303
Components of other comprehensive income that will not be reclassified to the income statement for the year		
Other comprehensive income (loss) from revaluation of defined-benefit pension plans	18,459,080	13,387,989
Share of other comprehensive income (loss) of equity method associates and joint ventures not reclassified to the net income for the year	20,766,354	16,565,334
Total other comprehensive income that will not be reclassified to net income for the year	39,225,434	29,953,323
Components of other comprehensive income that will be reclassified to net income for the year		
Currency translation differences		
Gain (loss) on currency translation differences	(61,071,871)	570,372,762
Other comprehensive income (loss) from currency translation differences	(61,071,871)	570,372,762
Financial assets held for sale		
Gain (loss) from new measurements of financial assets held for sale	25,825,265	(29,536,604)
Other comprehensive income (loss) on financial assets held for sale, before taxes	25,825,265	(29,536,604)
Cash flow hedges		
Gain (loss) on cash flow hedges	(35,995,105)	28,586,941
Other comprehensive income (loss) on cash flow hedges	(35,995,105)	28,586,941
Total other comprehensive income (loss) that will be reclassified to net income for the year	(71,241,711)	569,423,099
Other components of other comprehensive income (loss)	(32,016,277)	599,376,422
Total comprehensive income	6,182,255,720	3,952,179,725
Comprehensive income attributable to:		
Owners of the controller	3,503,305,470	2,492,522,063
Non-controlling interests	2,678,950,250	1,459,657,662
Total comprehensive income	6,182,255,720	3,952,179,725

Statement of Cash Flows	01/01/22	01/01/21
	12/31/22	12/31/21
	Note	
	ThCh\$	ThCh\$
Cash flows provided by (used in) operating activities		
Non-banking sector		
Proceeds from operating activities		
Proceeds from the sale of goods and services	5,479,492,380	3,656,605,709
Proceeds from premiums and claims, annuities and other policy benefits	-	-
Other proceeds from operating activities	141,232,646	4,840,751
Payments for operating activities		
Payments to suppliers for goods and services	(5,165,909,433)	(3,233,129,533)
Payments to and on behalf of employees	(233,336,169)	(177,372,904)
Payments for premiums and claims, annuities and other policy obligations	(3,249,595)	(996,746)
Other payments for operating activities	(116,714,650)	(81,556,263)
Net cash flows provided by operating activities	<u>101,515,179</u>	<u>168,391,014</u>
Income taxes paid	(41,667,439)	(11,833,751)
Other proceeds	1,331,169	3,078,497
Net cash flows provided by non-banking sector operating activities	<u>61,178,909</u>	<u>159,635,760</u>
Banking sector		
Consolidated net income for the year	1,411,074,994	792,384,214
Charges (credits) not affecting cash flow		
Depreciation and amortization	84,282,375	78,220,921
Provisions for credit risk	499,625,177	423,292,040
Adjustment to market value of trading instruments	(5,721,298)	6,568,394
Net income (loss) from investment in companies with significant influence	(13,030,768)	(1,793,882)
Net loss on sales of assets received in lieu of payment	(3,824,936)	(3,221,070)
Gain on sales of property, plant and equipment	(1,043,061)	(213,785)
Write-off of assets received in lieu of payment	6,838,141	1,873,435
Other charges not involving cash flow	5,590,575	90,256,124
Net changes in accrued interest, indexation and fees on assets and liabilities	(773,680,619)	(122,757,292)
Changes in assets and liabilities that affect operating cash flows		
Net (increase) decrease in loans and advances to banks	(640,681,937)	1,409,769,961
Net (increase) decrease in customer loans and receivables	(1,008,927,582)	(2,886,463,750)
Net (increase) decrease in instruments held for trading	(16,271,249)	(3,074,750)
Increase (decrease) in current accounts and other demand deposits	(4,835,821,798)	3,415,115,605
Increase (decrease) in repurchase agreements and securities lending	143,986,463	(176,368,862)
Increase (decrease) in savings accounts and time deposits	5,161,196,133	(8,979,926)
Increase (decrease) in obligations with banks	74,608,793	(21,236,278)
Increase in other financial obligations	94,145,796	83,644,951
Loans from Chilean Central Bank (long-term)	3,548,413,611	3,938,585,000
Loans repaid to the Chilean Central Bank (long-term)	(3,548,427,778)	(2,700,770,833)
Foreign loans received (long-term)	545,857,864	1,725,309,606
Foreign loans repaid (long-term)	(93,439,994)	(1,749,494,817)
Repayments of other long-term borrowings	(107,289)	(206,800)
Others	(104,453,762)	(77,525,812)
Subtotal net cash flows provided by operating activities for banking sector	<u>530,187,851</u>	<u>4,212,912,394</u>
Total net cash flows provided by operating activities	<u>591,366,760</u>	<u>4,372,548,154</u>

	01/01/22	01/01/21
	12/31/22	12/31/21
Cash flows provided by (used in) investing activities	Note	ThCh\$
Non-banking sector	ThCh\$	ThCh\$
Proceeds from the loss of control of subsidiaries or other businesses	1,123,749	537,083
Payments to obtain control of subsidiaries or other businesses	(29,059,674)	(165,528,953)
Proceeds from sale of non-controlling interests	72,910,714	-
Payments to purchase non-controlling interests	(18,143,696)	(36,581,400)
Other proceeds from the sale of equity or debt instruments of other entities	37,240,529	606,942,983
Other payments to acquire equity or debt instruments of other entities	(88,171,046)	(452,694,786)
Other proceeds from the sale of joint ventures	-	-
Other payments to acquire interests in joint ventures	(15,983,748)	-
Loans to related parties	(5,255,804)	-
Proceeds from the sale of property, plant and equipment	10,194,491	3,702,126
Purchases of property, plant and equipment	(183,697,292)	(90,249,124)
Proceeds from sales of intangible assets	4,605	399,578
Purchases of intangible assets	(938,807)	(1,276,959)
Dividends received	1,292,887,275	316,338,362
Interest received	32,289,469	5,467,899
Other proceeds (payments)	(63,752,227)	11,863,219
Net cash flows provided by non-banking sector investing activities	1,041,648,538	198,920,028
Banking sector		
Net (increase) decrease in investment instruments held for sale	(748,524,897)	(2,072,171,232)
Lease contract payments	(2,543,164)	(1,385,578)
Purchases of property, plant and equipment	(18,705,966)	(34,192,828)
Sales of property, plant and equipment	1,332,378	236,644
Investments in other companies	-	(7,846,923)
Dividends received from investments in other companies	4,170,719	1,543,522
Sale of assets received in lieu of payment	18,771,944	10,824,153
Net (increase) decrease in other assets and liabilities	(97,868,764)	(51,423,977)
Other	(50,634,089)	(843,698,719)
Net cash flows used in banking sector investing activities	(894,001,839)	(2,998,114,938)
Total net cash flows provided by (used in) investing activities	147,646,699	(2,799,194,910)

		01/01/22	01/01/21
		12/31/22	12/31/21
Cash flows provided by (used in) non-banking sector financing activities	Note	ThCh\$	ThCh\$
Non-banking sector			
Proceeds from share issuances		-	-
Proceeds from issuing other equity instruments		-	-
Payments to acquire or redeem treasury shares		-	(259,664)
Payments for other interests in equity		-	-
Proceeds from long-term loans		128,727,650	107,233,518
Proceeds from short-term loans		1,192,147,336	455,842,106
Total loan proceeds		1,320,874,986	563,075,624
Loans from related parties		224,309	-
Loan repayments		(1,252,278,188)	(340,922,793)
Payments for lease liabilities		(26,459,717)	(29,596,518)
Loan repayments to related parties		-	(2,105,818)
Dividends paid		(1,303,472,054)	(646,506,351)
Interest paid		(87,506,001)	(64,102,172)
Other payments		(9,913,810)	(11,234,308)
Net cash flows used in non-banking sector financing activities		(1,358,530,475)	(531,652,000)
Banking sector			
Redemption of mortgage bonds		(2,100,659)	(1,632,556)
Bonds issued		1,355,816,021	1,661,016,258
Bonds repaid		(1,596,741,575)	(1,715,144,093)
Dividends paid		(263,115,480)	(107,361,544)
Other		(32,374,022)	(30,586,399)
Net cash flows used in banking sector financing activities		(538,515,715)	(193,708,334)
Total net cash flows used in financing activities		(1,897,046,190)	(725,360,334)
Net increase (decrease) in cash and cash equivalents before exchange rate effects		(1,158,032,731)	847,992,910
Effect of changes in exchange rates on cash and cash equivalents		2,897,529	383,783,998
Net increase (decrease) in cash and cash equivalents		(1,155,135,202)	1,231,776,908
Cash and cash equivalents at beginning of the year		7,933,102,324	6,701,325,416
Cash and cash equivalents at end of the year	4 c)	6,777,967,122	7,933,102,324

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

	Common shares			Other reserves								Total equity
	Issued capital	Share premium	Revaluation surplus	Currency translation reserves	Cash flow hedge reserves	Gains or losses on revaluation of financial assets held for sale reserve	Other miscellaneous reserves	Total other reserves	Retained earnings (accumulated losses)	Equity attributable to owners of the controller	Non-controlling interests	
Opening balance as of 01/01/22	1,223,669,810	31,538,354	1,031,342	697,846,636	24,870,879	(11,276,377)	(159,204,262)	553,268,218	3,565,784,533	5,374,260,915	5,346,602,593	10,720,863,508
Increase (decrease) due to changes in accounting policy	-	-	-	-	-	15,769,506	2,636,960	18,406,466	(186,999)	18,219,467	(186,999)	18,032,468
Increase (decrease) for prior period adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Restated opening balance	1,223,669,810	31,538,354	1,031,342	697,846,636	24,870,879	4,493,129	(156,567,302)	571,674,684	3,565,597,534	5,392,480,382	5,346,415,594	10,738,895,976
Changes in equity												
Total comprehensive income												
Net income	-	-	-	-	-	-	-	-	3,535,321,747	3,535,321,747	2,678,950,250	6,214,271,997
Other comprehensive income (loss)	-	-	-	(61,071,871)	(35,995,105)	25,825,265	39,225,434	(32,016,277)	-	(32,016,277)	-	(32,016,277)
Total comprehensive income	-	-	-	(61,071,871)	(35,995,105)	25,825,265	39,225,434	(32,016,277)	3,535,321,747	3,503,305,470	2,678,950,250	6,182,255,720
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(1,556,144,708)	(1,556,144,708)	-	(1,556,144,708)
Increase (decrease) for changes in interests in subsidiaries that do not involve loss of control	-	-	-	-	-	-	135,655	135,655	-	135,655	(135,655)	-
Increase (decrease) due to transfers and other changes	-	-	-	-	-	(12,738,732)	(11,215,524)	(23,954,256)	13,685,357	(10,268,899)	(1,353,324,070)	(1,363,592,969)
Total changes in equity	-	-	-	(61,071,871)	(35,995,105)	13,086,533	28,145,565	(55,834,878)	1,992,862,396	1,937,027,518	1,325,490,525	3,262,518,043
Closing balance as of 12/31/22	1,223,669,810	31,538,354	1,031,342	636,774,765	(11,124,226)	17,579,662	(128,421,737)	515,839,806	5,558,459,930	7,329,507,900	6,671,906,119	14,001,414,019
Opening balance as of 01/01/21	1,223,669,810	31,538,354	1,031,342	127,473,874	(3,716,062)	16,679,851	(150,505,640)	(9,036,635)	2,291,413,245	3,537,584,774	4,228,338,089	7,765,922,863
Increase (decrease) due to changes in accounting policy	-	-	-	-	-	1,580,376	115,848	1,696,224	(1,346,487)	349,737	(2,008)	347,729
Increase (decrease) for prior period adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Restated opening balance	1,223,669,810	31,538,354	1,031,342	127,473,874	(3,716,062)	18,260,227	(150,389,792)	(7,340,411)	2,290,066,758	3,537,934,511	4,228,336,081	7,766,270,592
Changes in equity												
Total comprehensive income												
Net income	-	-	-	-	-	-	-	-	1,893,145,641	1,893,145,641	1,459,657,662	3,352,803,303
Other comprehensive income (loss)	-	-	-	570,372,762	28,586,941	(29,536,604)	29,953,323	599,376,422	-	599,376,422	-	599,376,422
Total comprehensive income	-	-	-	570,372,762	28,586,941	(29,536,604)	29,953,323	599,376,422	1,893,145,641	2,492,522,063	1,459,657,662	3,952,179,725
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(617,393,107)	(617,393,107)	-	(617,393,107)
Increase (decrease) for changes in interests in subsidiaries that do not involve loss of control	-	-	-	-	-	-	7,087,336	7,087,336	-	7,087,336	(7,087,336)	-
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	(45,855,129)	(45,855,129)	(34,759)	(45,889,888)	(334,303,814)	(380,193,702)
Total changes in equity	-	-	-	570,372,762	28,586,941	(29,536,604)	(8,814,470)	560,608,629	1,275,717,775	1,836,326,404	1,118,266,512	2,954,592,916
Closing balance as of 12/31/21	1,223,669,810	31,538,354	1,031,342	697,846,636	24,870,879	(11,276,377)	(159,204,262)	553,268,218	3,565,784,533	5,374,260,915	5,346,602,593	10,720,863,508

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 1 – Corporate information

(a) Company information

Quiñenco S.A. (hereinafter “Quiñenco” or “the Company”) is a publicly held corporation, with ID number 91,705,000-7, domiciled at Enrique Foster Sur 20, 14th Floor, Las Condes, Santiago. The Company is registered in the Securities Registry under No. 0597 and is subject to the regulatory authority of the Financial Market Commission (hereinafter the “CMF”).

These consolidated financial statements have been approved by the Board of the Company at its meeting held on March 30, 2023.

(b) Description of operations and principal activities

The Company mainly has investments in the industrial and financial services sectors in numerous areas of the economy. The Company provides banking and financial services through the indirect subsidiary Banco de Chile (hereinafter “the Bank”); it produces and sells soft drinks, wine, beer and other beverages through the indirect associate company Compañía Cervecerías Unidas S.A. (hereinafter “CCU”), an investment registered under the equity method through Inversiones y Rentas S.A.; it manufactures cables and it distributes and sells fuels and lubricants products and services through the subsidiary Invexans S.A. (hereinafter “Invexans”); it participates in the shipping and port services business through the subsidiaries Compañía Sud Americana de Vapores S.A. (hereinafter “CSAV”) and Sociedad Matriz SAAM S.A. (hereinafter “SM SAAM”), respectively.

The Company’s businesses are as follows:

Financial services: Quiñenco has a direct and indirect shareholding in Banco de Chile, through its 50.00% holding of the share capital, as of December 31, 2022 and 2021, of the subsidiary LQ Inversiones Financieras S.A. (hereinafter “LQIF”). LQIF is a company formed by Quiñenco in 2000 in order to channel its investments in the financial sector. Since 2001, its principal investment is its controlling shareholding in Banco de Chile, one of the largest financial institutions in Chile. Banco de Chile is listed in Chile and on the New York Stock Exchange (NYSE).

As of December 31, 2022 and 2021, LQIF directly holds 46.34% of Banco de Chile and indirectly holds 4.81% through its subsidiary Inversiones LQ-SM Limitada (hereinafter “LQ-SM”).

As of December 31, 2022 and 2021, LQIF directly and indirectly holds 51.15% of the political and economic rights in Banco de Chile.

Beverage: The Company has an indirect shareholding in CCU through the ownership of 50% of Inversiones y Rentas S.A. (hereinafter “IRSA”). IRSA is a joint venture with the Dutch brewery group Heineken Americas B.V. (hereinafter “Heineken”). As a result, Heineken holds 50% of IRSA and is thus a partner of Quiñenco, being the joint controllers of 65.87% of CCU as of December 31, 2022 and 2021.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 1 – Corporate information (continued)

(b) Description of operations and principal activities (continued)

Manufacturing: Quiñenco has a 99.85% interest in the subsidiary Invexans as of December 31, 2022, and 99.83% as of December 31, 2021, and this subsidiary has a 28.49% interest in the French company Nexans. Additionally, Quiñenco has a 0.53% indirect interest in Nexans through its subsidiary Tech Pack S.A. (hereinafter “Tech Pack”). Nexans is a global player in the cable industry, offering a wide range of cables and cabling systems and with an industrial presence in 42 countries and trading activities throughout the world. Nexans is listed on the Euronext exchange in Paris.

The subsidiary Invexans wholly owns Enex plc (hereinafter “Enex”), which is disclosed in the Energy segment.

Quiñenco also has a 99.97% interest in the subsidiary Tech Pack as of December 31, 2022 and 2021.

Energy: Quiñenco has an indirect interest of 100% in the indirect subsidiary Enex as of December 31, 2022 and 2021, whose main activity is the distribution and sale of products and services in the areas of fuels and lubricants for motor vehicles, industry, aviation and shipping, asphalts (bitumen), chemicals and convenience stores. The company markets its products in Chile mainly using the Shell brand.

Transport: Quiñenco has a 66.45% interest in the subsidiary Compañía Sud Americana de Vapores S.A. (CSAV), as of December 31, 2022 and 2021. This company is mainly involved in cargo shipping and its most important asset is a 30.00% interest in the shipping company Hapag-Lloyd A.G.

Port Services: Quiñenco has a 60.02% interest in the subsidiary SM SAAM S.A. as of December 31, 2022, and 59.73% as of December 31, 2021. The subsidiary SM SAAM S.A. provides towage, port terminal and logistics services.

(c) Employees

The following table shows the number of employees of Quiñenco and its subsidiaries:

Number of Employees	12/31/22	12/31/21
Quiñenco	71	70
LQIF and subsidiaries	12,555	12,289
SM SAAM	5,765	5,971
Tech Pack and subsidiaries	6	6
CSAV	15	13
Invexans and subsidiaries	3,608	3,382
Other subsidiaries	17	18
Total employees	22,037	21,749

Note 2 – Summary of significant accounting policies

(a) Period covered

These consolidated financial statements cover the following periods:

- Consolidated statements of financial position as of December 31, 2022 and 2021.
- Consolidated statements of comprehensive income, cash flows and changes in equity for the years ended December 31, 2022 and 2021.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(b) Basis of preparation

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which expressly states that during the years 2022 and 2021 the instructions and standards for preparation and presentation of financial information issued by the Financial Market Commission, which include the application of International Financial Reporting Standards (hereinafter "IFRS") issued by the International Accounting Standards Board (hereinafter "IASB"), have been fully applied, with the following exceptions, as established by the CMF for the preparation of these financial statements:

Banco de Chile, a subsidiary¹ of LQ Inversiones Financieras S.A., is regulated by the CMF. Article 5 of Law 21,000 created the CMF and Article 5 authorizes it to issue generally applied accounting standards for the entities that it regulates. The Corporations Law requires compliance with generally accepted accounting principles.

Under this law, banks should follow the accounting criteria issued by the CMF in its Compendium of Accounting Standards for Banks (hereinafter the "Compendium") and, in all matters not covered by these and which are not contradicted by its instructions, they should follow generally accepted accounting criteria as set out in the technical instructions issued by the Chilean Institute of Accountants, which coincide with IFRS issued by the IASB. If differences arise between these generally accepted accounting principles and the accounting criteria issued by the CMF, the latter shall prevail.

The banking subsidiaries therefore have partially followed the IFRS through the application of the Compendium issued by the CMF, generating the following differences:

- Provisions for loan losses: The Bank currently includes prudential criteria established by the CMF in its model. These criteria have given rise, over time, to the establishment of standard models that banking institutions must apply to determine loan portfolio impairment. Under IFRS, provisions for loan losses are calculated using an expected credit losses model over the life of the asset, or 12 months if there is a significant increase in credit risk. Accordingly, the CMF model differs from the IFRS model, which could result in adjustments.
- Impaired loans: The present CMF treatment states that interest revenue on impaired loans cannot be recognized in income on an accrual basis. Under IFRS, the financial asset is not written off, a provision is made for impairment, and interest is generated, based on the interest rate used for discounting the cash flows, not considering therefore the suspension of the recognition of revenue.
- Assets received in lieu of payment: The present treatment considers the lesser of their initial value plus any additions and the net realizable value. Assets that have not been disposed of within a year are gradually written off over an additional period established by the CMF. Under IFRS assets are not written-off while they have an economic value.
- Business combinations - goodwill: As established by the CMF, assets originating before December 31, 2008, with respect to goodwill will maintain the original valuation criteria used in 2008, i.e. they will be amortized until their extinction. Goodwill that has been extinguished will not return to assets.
- Financial instruments (IFRS 9): This standard includes new principles-based requirements for classification and measurement and introduces a more prospective model of expected credit loss for impairment accounting and changes to hedge accounting. Application of this standard is mandatory for periods beginning on or after January 1, 2018. However, this regulation has not yet been approved by the CMF, which is required for it to apply to these consolidated financial statements by the banking subsidiary.

¹ For IFRS purposes, "subsidiary" is any Company in which the parent has the capacity and intention of exercising control, which is generally obtained when it owns more than 50% of the capital with voting rights or can choose or appoint most of its directors or managers and is, therefore, equivalent to the concept of subsidiary ("filial") established in Article 86 of Corporations Law 18,046.

Note 2 – Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

The Company has complied with CMF Circular 506 issued on February 13, 2009, which allows companies with investments in banking entities to register and value these entities based on financial statements prepared in accordance with standards established by the CMF, without being required to make conversion adjustments to IFRS. The accounting policies used by the banking entities to prepare their financial statements are described in Note 2 bb) onward.

The specific provisions for corporations contained in Law 18,046 and its regulations have also been considered.

Certain accounting practices applied by the Company that conform to IFRS may not conform to generally accepted accounting principles in the United States (“US GAAP”) or to generally accepted accounting principles in Chile (“Chilean GAAP”). For the convenience of the reader these financial statements have been translated from Spanish to English.

For comparison purposes, the Company and its subsidiaries have made minor reclassifications to their annual financial statements as of December 31, 2021, which do not significantly affect their interpretation, except as disclosed in Note 10 b). The financial statements for the banking sector were adjusted to comply with the instructions in Circular 2,243 dated December 20, 2019, subsequently supplemented by Circular 2,295 dated October 7, 2021, issued by the CMF, which disclose changes to the instructions in the Compendium of Accounting Standards for Banks (CNC) effective as of January 1, 2022.

These amendments achieve closer convergence with IFRS, and improve the quality of financial reporting, in order to contribute to financial stability and transparency within the banking system. Further details are described in Note 40.2.

(c) IFRS standards and interpretations of the IFRS Interpretations Committee

The new standards, interpretations, improvements and amendments to IFRS that have been issued and are in effect as of the date of these financial statements are detailed below. The Company applied these standards and concluded that they did not significantly affect the financial statements.

	Improvements and Amendments	Mandatory Effective Date
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, plant and equipment - Proceeds before intended use	January 1, 2022
IAS 37	Onerous contracts - Cost of fulfilling a contract	January 1, 2022
IFRS 1, IFRS 9, IFRS 16, and IAS 41	Annual Improvements to IFRS 2018-2020	January 1, 2022

The improvements and modifications to IFRS as well as interpretations that have been published during the period are described below. As of the date of these financial statements, these standards have still not taken effect and the Company has not applied any of them in advance:

	New Standards and Interpretations	Mandatory Effective Date
IFRS 17	Insurance contracts	January 1, 2023

	Improvements and Amendments	Mandatory Effective Date
IAS 1	Classification of liabilities as current and non-current	January 1, 2024
IAS 8	Definition of accounting estimates	January 1, 2023
IAS 1	Disclosure of accounting policies	January 1, 2023
IAS 12	Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023
IFRS 16	Lease liabilities related to a sale and leaseback	January 1, 2024
IFRS 10 and IAS 28	Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 2 – Summary of significant accounting policies (continued)

(d) Basis of Consolidation

These consolidated financial statements include the assets, liabilities, income and cash flows of the Company and its subsidiaries. The effects of significant transactions with subsidiaries have been eliminated and the interest of the minority investors is shown in the consolidated statement of financial position and consolidated comprehensive income statement in the account Non-controlling interests. The financial statements of the following subsidiaries have been consolidated:

ID number	Subsidiary	Country	Functional currency	Ownership interest (*)			12/31/2021 Total
				12/31/2022 Direct	12/31/2022 Indirect	Total	
76.077.048-5	Inversiones Caboto S.A.	Chile	Ch\$	99.9999	0.0001	100.0000	100.0000
76.284.393-5	Cabletron S.A.	Chile	Ch\$	0.0000	0.0000	0.0000	100.0000
77.253.300-4	Inversiones Rio Bravo S.A. and Subsidiary	Chile	Ch\$	81.4038	18.5962	100.0000	100.0000
87.011.000-6	Inv. O'Higgins Punta Arenas S.A.	Chile	Ch\$	75.5579	0.0000	75.5579	75.5579
91.000.000-4	Industria Nacional de Alimentos S.A.	Chile	Ch\$	71.9576	27.9769	99.9345	99.9345
91.527.000-K	Empresa El Peñón S.A. and Subsidiary	Chile	Ch\$	98.1414	0.0000	98.1414	98.1414
95.987.000-4	Inversiones Río Grande S.p.A. and Subsidiaries	Chile	Ch\$	99.9898	0.0102	100.0000	100.0000
96.611.550-5	Unitron S.A.	Chile	Ch\$	99.9999	0.0001	100.0000	100.0000
76.724.960-8	Inversiones Ranquil S.A.	Chile	Ch\$	99.9975	0.0007	99.9982	99.9982
96.892.490-7	Administración y Servicios Generales LQ S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
93.802.000-0	Hidrosur S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
96.572.580-6	Inversiones y Bosques S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
93.493.000-2	Hoteles Carrera S.A.	Chile	Ch\$	0.0000	0.0000	0.0000	99.1960
96.635.350-3	Inmob. e Inv. Hidroindustriales S.A. and subsidiaries	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
96.847.140-6	Inmobiliaria Norte Verde S.A. and subsidiary	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
99.568.590-6	Inversiones Río Azul S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
96.929.880-5	LQ Inversiones Financieras S.A. and Subsidiaries	Chile	Ch\$	47.3520	2.6480	50.0000	50.0000
96.999.360-0	Inversiones LQ-SM Limitada	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
97.004.000-5	Banco de Chile	Chile	Ch\$	0.1097	51.1500	51.2597	51.2597
96.767.630-6	Banchile Administradora General de Fondos S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
96.543.250-7	Banchile Asesoría Financiera S.A.	Chile	Ch\$	0.0000	99.9600	99.9600	99.9600
77.191.070-K	Banchile Corredores de Seguros Ltda.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
96.571.220-8	Banchile Corredores de Bolsa S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
96.932.010-K	Banchile Securitizadora S.A. (in liquidation)	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
96.645.790-2	Socofin S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
91.021.000-9	Invexans S.A. and Subsidiaries	Chile	USD	89.5531	10.2980	99.8511	99.8254
Foreign	Invexans Limited	United Kingdom	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Invexans LLC	USA	USD	0.0000	100.0000	100.0000	0.0000
92.011.000-2	Enex S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
Foreign	Enex Corp. Ltd.	United Kingdom	USD	0.0000	100.0000	100.0000	100.0000
89.467.400-8	Dicomac Ltda.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
94.625.000-7	Inversiones Enex S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
76.376.573-3	Empresa de Soluciones Mineras ESM SpA.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
Foreign	Enex Plc	United Kingdom	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Enex CL Ltd.	United Kingdom	Ch\$	0.0000	100.0000	100.0000	100.0000
Foreign	Enex Investments US, Inc.	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Road Ranger, LLC	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Enex Investment Paraguay S.A.	Paraguay	PYG	0.0000	100.0000	100.0000	100.0000
Foreign	Reopco INC.	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Ranger Holdings 139 LLC	USA	USD	0.0000	100.0000	100.0000	100.0000

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(d) Basis of Consolidation (continued)

ID number	Subsidiary	Country	Functional currency	Ownership interest (*)			12/31/2021
				12/31/2022		Total	
				Direct	Indirect		
Foreign	Ranger Holdings 141 LLC	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	First Ranger 225 LLC	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	First Ranger 226 LLC	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	First Ranger 242 LLC	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	First Ranger 244 LLC	USA	USD	0.0000	100.0000	100.0000	100.0000
Foreign	First Ranger 291 LLC	USA	USD	0.0000	100.0000	100.0000	100.0000
76.275.453-3	Tech Pack S.A. and Subsidiaries	Chile	USD	80.7634	19.2078	99.9712	99.9712
91.524.000-3	Inmobiliaria Techpack S.A.	Chile	USD	0.0000	99.9710	99.9710	99.9710
94.262.000-4	Soinmad S.A. and Subsidiaries	Chile	USD	0.0000	100.0000	100.0000	100.0000
96.619.180-5	Logística Techpack S.A.	Chile	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Inmobiliaria Techpack S.A.	Argentina	USD	0.0000	0.0000	0.0000	100.0000
90.160.000-7	Compañía Sud Americana de Vapores S.A. and Subsidiaries	Chile	USD	25.2126	41.2419	66.4545	66.4545
96.838.090-7	Compañía Naviera Rio Blanco S.A.	Chile	USD	0.0000	0.0000	0.0000	100.0000
Foreign	CSAV Germany Container Holding GmbH	Germany	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	Panama	USD	0.0000	0.0000	0.0000	100.0000
Foreign	Tollo Shipping Co. S.A. and Subsidiaries	Panama	USD	0.0000	0.0000	0.0000	100.0000
76.028.729-6	Norgistics Holding S.A. and Subsidiaries	Chile	USD	0.0000	0.0000	0.0000	100.0000
Foreign	Norgistics México S.A. de C.V.	Mexico	USD	0.0000	0.0000	0.0000	100.0000
76.196.718-5	Sociedad Matriz SAAM S.A. and Subsidiaries	Chile	USD	23.4618	36.5592	60.0210	59.7280
92.048.000-4	SAAM S.A. and Subsidiaries	Chile	USD	0.0000	100.0000	100.0000	100.0000
76.729.932-K	SAAM Logistics S.A. and subsidiaries (1)	Chile	USD	0.0000	100.0000	100.0000	100.0000
76.757.003-1	SAAM Ports S.A. and subsidiaries (1)	Chile	USD	0.0000	100.0000	100.0000	100.0000
96.973.180-0	SAAM Internacional S.A. and subsidiaries	Chile	USD	0.0000	100.0000	100.0000	100.0000
77.587.667-0	SAAM Inmobiliaria S.A.	Chile	USD	0.0000	99.9995	99.9995	-
77.587.244-1	SAAM Aéreo S.A.	Chile	USD	0.0000	99.9995	99.9995	-
76.708.840-K	Inmobiliaria San Marco Ltda. and subsidiaries	Chile	USD	0.0000	100.0000	100.0000	100.0000
76.479.537-7	SAAM Inversiones SpA	Chile	USD	0.0000	100.0000	100.0000	100.0000
96.720.220-7	Inversiones San Marco Ltda. and subsidiaries	Chile	USD	0.0000	100.0000	100.0000	100.0000
96.885.450-K	Aerosan Airport Services S.A. & subsidiaries	Chile	USD	0.0000	100.0000	100.0000	100.0000
94.058.000-5	Servicios Aeroportuarios Aerosan S.A.	Chile	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage S.A. de C.V. & subsidiaries	Mexico	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage Brasil S.A.	Brazil	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Participacoes Ltda.	Brazil	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage El Salvador S.A.	El Salvador	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Concesionaria SAAM Costa Rica S.A.	Costa Rica	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Operadora de Puertos Costa Rica S.A. (1)	Costa Rica	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Ecuastibas S.A.	Ecuador	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage Panama S.A.	Panama	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Inversiones Habsburgo S.A.	Panama	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Inversiones Alaria S.A.	Panama	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Saam Remolcadores Panamá S.A.	Panama	USD	0.0000	100.0000	100.0000	100.0000
Foreign	EOP Crew Management de México S.A. de C.V.	Mexico	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Intertug México S.A. de C.V.	Mexico	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Baru Offshore de México S.A.P.I.	Mexico	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage Colombia S.A.S.	Colombia	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage Canadá and subsidiaries	Canada	USD	0.0000	100.0000	100.0000	100.0000

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(d) Basis of Consolidation (continued)

ID number	Subsidiary	Country	Functional currency	Ownership interest (*)			
				12/31/2022		12/31/2021	
				Direct	Indirect	Total	Total
Foreign	SAAM Guatemala	Guatemala	Quetzal	0.0000	70.0000	70.0000	70.0000
Foreign	Expertaje Marítimos	Guatemala	Quetzal	0.0000	70.0000	70.0000	70.0000
Foreign	KIOS	Uruguay	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage Peru S.A.C.	Peru	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Florida International Terminal, LLC (1)	USA	USD	0.0000	70.0000	70.0000	70.0000
Foreign	Inarpi S.A. and subsidiary (1)	Ecuador	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Iquique Terminal Internacional S.A. & subsidiary (1)	Chile	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Recursos Portuarios Mazatlán S.A. de C.V. (1)	Mexico	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Extraportuarios S.A.	Chile	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Inmobiliaria Marítima Portuaria Ltda.	Chile	USD	0.0000	100.0000	100.0000	100.0000
Foreign	Aerosan S.A.S.	Colombia	USD	0.0000	100.0000	100.0000	100.0000

(*) These are ownership percentages in the parent companies that are direct subsidiaries of Quiñenco S.A. and the ownership percentages of their own subsidiaries.

(1) Discontinued operations of the subsidiary SM SAAM, as described in Note 10.

The subsidiaries Invexans, LQIF, CSAV and SM SAAM are registered in the Securities Registry under the numbers 251, 730, 76 and 1091, respectively, and are subject to inspection by the Financial Market Commission.

The company controls a subsidiary if it has:

- Authority over the subsidiary (rights that give it the authority to direct the subsidiary's business).
- Exposure or rights to variable returns from its interest in the subsidiary.
- Ability to influence these returns by exercising its authority over the subsidiary.

The subsidiary LQIF is included in the consolidated financial statements as Quiñenco controls the subsidiary by having the majority of the members of the Board, and in management's opinion this should not change in the short term. The subsidiary Banco de Chile is included in the consolidated financial statements of LQIF and is subject to the regulatory authority of the CMF.

The subsidiary Enx is included in the consolidated financial statements of Invexans S.A. and subsidiary.

(e) Estimates

Certain estimates have been used by the management of Quiñenco and its respective subsidiaries in the preparation of the consolidated financial statements, in order to quantify some of the assets, liabilities, revenue, expenses and commitments that appear in them. These estimates basically refer to:

- The valuation of assets and goodwill, to calculate any associated impairment losses.
- The assumptions used in the actuarial calculation of employee obligations.
- The useful lives and residual values of property, plant and equipment and intangible assets other than goodwill.
- The assumptions used to calculate the fair value of financial instruments.
- The assumptions used to calculate estimates of the recoverability of trade receivables from customers.
- The assumptions used to calculate estimates of inventory obsolescence.
- The analysis and calculation of impairment losses on financial assets and long-term non-financial assets.
- The probability of occurrence and value of uncertain or contingent liabilities.
- The calculation of the fair value of non-financial assets for assessing impairment.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(e) Estimates (continued)

- The recoverability of deferred tax assets based on estimates of future income. This recoverability depends in the last instance on the Company's capacity to generate taxable income throughout the period in which the deferred tax assets are deductible. In the analysis, the period is taken into account of the reversal of deferred tax liabilities, and the estimates of taxable benefits, on the basis of internal projections that are updated to reflect the most recent trends. The determination of the suitable classification of taxable items depends on various factors, including the estimate of the time and recoverable value of the deferred tax assets and the expected timing of the tax payments. This recoverability depends in the last instance on the Company's capacity to generate taxable income throughout the year in which the deferred tax assets are deductible.

Despite these estimates having been made on the basis of the best information available as of the date of issuance of these consolidated financial statements, it is possible that events may occur in the future that force their modification (upward or downward) in the following periods, which would be made prospectively, recognizing the effects of the change in estimate in the corresponding future consolidated financial statements.

(f) Presentation of the consolidated financial statements

Statement of Financial Position

The Company and its subsidiaries have determined a mixed presentation format of their consolidated statement of financial position as follows:

- (f1)** Quiñenco, its non-banking subsidiaries and principal associates operate in the businesses of food and beverage, manufacturing, fuels and lubricants, transport and port services, among which there is a similar operating cycle. They have therefore chosen a presentation format based on current value (classified).
- (f2)** The banking subsidiaries have no clearly-defined operating cycle and have chosen a liquidity format as required by the CMF.

Therefore, the assets and liabilities of the banking and non-banking sectors are presented separately.

Statements of Comprehensive Income

Quiñenco and its subsidiaries show their consolidated statements of income classified by function. However, as the industrial sector shows differences in the classification of their business compared to the banking sector, the Company groups the industrial businesses together and discloses the banking entities separately.

Statements of Cash Flows

The CMF requires banking institutions to prepare the statement of cash flows under the indirect method. Consequently, Quiñenco has chosen to show its consolidated statement of cash flows by a mixed presentation, the direct method for the industrial sector and indirect method for the banking sector.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(g) Functional currency and foreign currency translation

These consolidated financial statements are shown in Chilean pesos, which is the Company's functional and presentational currency.

Each subsidiary determines its own functional currency and the items included in the consolidated financial statements are measured using that functional currency.

The functional currency of Inversiones y Rentas S.A. (parent company of CCU) and LQ Inversiones Financieras S.A. (parent company of Banco Chile) is the Chilean peso.

The functional currency of the operations of the subsidiaries Invexans, Tech Pack, CSAV and SM SAAM is the US dollar. At the reporting date, the assets and liabilities of these companies are translated to Quiñenco's presentation currency (Chilean pesos) at the exchange rate on the date of the consolidated statement of financial position, but the statements of comprehensive income and cash flows are translated at the average exchange rate of each month, unless this average is not a reasonable approximation of a specific significant transaction. Exchange differences arising from the translation are taken directly to a separate component of equity under Other reserves. Transactions in currencies other than the functional currency are considered to be in foreign currency and are initially recorded at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currency are translated at the exchange rate of the functional currency on the date of the consolidated statement of financial position. All exchange differences are recorded as a charge or credit to comprehensive income.

Net differences in foreign currency arising from investment or hedging operations of a foreign entity are controlled directly in equity until the disposal of the investment when they are shown as a charge or credit to comprehensive income. The results of taxes and credits attributable to these operations are shown as a charge or credit to equity until the disposal of the investment.

Any goodwill purchased and adjustment to fair value of the book value of assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated to Chilean pesos at the closing date of the consolidated financial statements. Non-monetary items measured in terms of historic cost in foreign currency are translated using the exchange rates on the date when the fair value was determined.

Assets and liabilities presented in Unidades de Fomento (UF - Chilean monetary unit indexed to inflation) are valued at the closing value of this currency as of the date of the consolidated statement of financial position, as published by the National Institute of Statistics.

The foreign currency and indexed currency exchange rates used to prepare these consolidated financial statements are as follows.

	December 31, 2022 Ch\$	December 31, 2021 Ch\$
US dollar (USD)	855.86	844.69
Euro	915.95	955.64
Argentine peso	4.83	8.22
Brazilian real	161.96	151.68
Colombian peso	0.18	0.21
Unidad de Fomento (UF)	35,110.98	30,991.74

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(h) Inventory

The subsidiaries value inventory at the lower of cost and net realizable value. The cost price (calculated as the weighted average cost for Invexans, and FIFO for SAAM) includes the costs of direct materials and, if appropriate, personnel costs, the indirect costs incurred in transforming the raw materials into finished products and general expenses incurred in transferring the inventory items to their location and present conditions.

The net realizable value represents the estimated sale price less all termination costs and costs to be incurred in the marketing, sale and distribution processes.

Trade discounts, rebates obtained and other similar items are deducted in the determination of the cost price.

Spare parts are valued at historical acquisition cost and recognized in the income statement using the FIFO method. Spare parts with low turnover are mainly used to repair and maintain major assets. This is strategic inventory and given its unpredictable demand, it is classified as non-current inventory.

Subsidiaries evaluate the net realizable value of inventory at the end of each financial period, recording an impairment loss in comprehensive income when they are overstated. When the circumstances that previously caused the reduction have ceased to exist, or when there is clear evidence of an increase in the net realizable value due to a change in financial circumstances or prices of the principal raw materials, the previous estimate is amended.

(i) Property, plant and equipment

(i1) Cost

The elements of property, plant and equipment are valued initially at cost, which includes the purchase price, import duties and any cost directly attributable to placing the asset in an operating condition for its intended use.

The elements of property, plant and equipment that are built (work in progress) may include the following accrued concepts during the construction period:

- (i) Finance costs related to the external financing directly attributable to the acquisition or production, whether of a specific or generic nature.
Regarding generic financing, the capitalized finance costs are obtained by applying a capitalization rate that will be determined with the weighted average of all the interest costs of the entity on the loans that have been outstanding during the period.
- (ii) Personnel expenses and others of an operational nature effectively used in the construction of the property, plant and equipment.

The costs of expansion, modernization or improvements that represent an increase in productivity, capacity or efficiency or an increased useful life, are capitalized by increasing the value of the assets.

Expenses in repairs, conservation and maintenance are recognized as a charge or credit to comprehensive income at the time they are incurred.

This heading also includes investments in assets acquired under lease agreements with the characteristics of a finance lease. These assets do not legally belong to the Company until it exercises the purchase option.

Any gain or loss from the disposal or withdrawal of an asset is calculated as the difference between the sales price and the asset's book value and is recorded in comprehensive income for the period.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(i) Property, plant and equipment (continued)

(i2) Depreciation

Depreciation is calculated using the straight-line method, by distributing the acquisition cost less the estimated residual value over the estimated useful life of each asset, as follows:

Group of assets	<u>Estimated years of useful life</u>
Buildings and infrastructure	20 to 100
Installations	5 to 33
Machinery and equipment	5 to 40
Ships, tug boats, barges and boats	10 to 30
Transport equipment	3 to 10
Engines and equipment	7
Other property, plant and equipment	2 to 10
Port terminal infrastructure	Concession period
Leasehold facilities and property improvements	Lease term

Land is shown separately from buildings or installations as it is understood that it has an infinite useful life and is therefore not subject to depreciation.

The depreciation of property, plant and equipment under construction starts when the assets are ready to be used.

Port terminal infrastructure includes assets not controllable by the granting entity. The useful lives of these assets may exceed the concession period, when the asset can be transferred to other businesses.

Estimated useful lives are reviewed annually and any change in estimates is recognized prospectively.

(i.3) Basis of measurement after initial recognition

Property, plant and equipment is initially recognized as an asset, and subsequently recognized at cost less accumulated depreciation and any accumulated impairment losses.

(j) Investment properties

Investment properties are recognized as the net value of land, buildings and other construction held for exploitation through leases or to obtain a gain on their sale as a consequence of future increases that may occur in the respective market prices. These assets are not used in the businesses and are not intended for own use.

They are initially valued at acquisition cost, which includes the acquisition price or cost of production plus expenses incurred that are directly assignable. They are later valued at cost less accumulated depreciation and possible accumulated impairment.

Assets classified as investment properties are depreciated on a straight-line basis, except for land, which has an indefinite life.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(k) Non-current assets or disposal groups held for sale

Non-current assets whose book value is recovered through a sale transaction and not through their continued use are classified as held for sale and discontinued operations. This condition is only considered to be met when the sale is highly probable and the asset is available for sale immediately in its current state. The sale is foreseen to be completed within a year from the date of classification.

These assets are valued at the lower of book value and fair value less associated sale costs, and are presented as current assets.

(l) Revenue recognition

Revenue describes the transfer of goods or services committed to customers, in exchange for a payment, which is expected in exchange for those goods or services.

Revenue is recognized in accordance with the guidelines established by IFRS 15, which considers the following steps:

Step 1: Identify the customer contract.

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Assign the transaction price to the performance obligations

Step 5: Recognize revenue when the entity satisfies a performance obligation

Finance income is interest on financial assets. Interest income is recognized using the effective interest method.

Revenue is the gross inflow of financial benefits, from ordinary activities during a period, provided they increase equity but are not related to contributions from shareholders. Revenue is recognized at fair value when it is probable that the financial benefit associated with a transaction will flow to the company and its value can be reliably measured.

Service revenue is also recognized considering the stage of completion of the services provided as of the reporting date, provided that the outcome of the transaction can be reliably valued, it is probable that the financial benefits associated with the transaction will flow to the Company, the stage of completion of the transaction at the end of the reporting period can be reliably measured and the costs incurred for the transaction and the costs to complete the transaction can be reliably measured.

(m) Investments in subsidiaries (business combinations)

Business combinations are registered using the acquisition method, in accordance with IFRS 3. This involves recognizing the identifiable assets (including intangible assets not previously recognized) and liabilities (including contingent liabilities and excluding future restructurings) of the business acquired at its fair value.

The acquisition price is measured at fair value, as are the identifiable net assets acquired. Any goodwill arising from the acquisition will be tested annually for impairment (IFRS 3). Any gain on an acquisition is recognized immediately in the statement of income (badwill). Transaction costs are recognized in the statement of income when incurred, except when related to issuing debt or equity securities.

The acquisition price will not include any amounts relating to pre-existing agreements. These are generally recognized in the statement of income.

Any contingent components of the acquisition price are measured at fair value at the acquisition date. If a contingent liability meets the definition of a financial instrument, then it is classified as equity, it is not revalued and the subsequent settlement is accounted for within equity. Otherwise, other contingent components of the acquisition price are revalued at fair value as of each reporting date and any changes are recognized in the statement of income.

Business combinations acquired prior to March 2001 are shown at their proportional value considering the book values of each subsidiary.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(n) Investments recognized using the equity method

The Company and its subsidiaries value their investments in associates using the equity method. An associate is an entity in which the Company has a significant influence.

Under this method, the investment is shown in the consolidated statement of financial position at cost plus changes following the acquisition in proportion to the net equity of the associate, using for this the percentage interest in the capital of the associate. The goodwill in associates is included in the book value of the investment and is not amortized. The charge or credit to income reflects the proportion in the results of the associate.

Equity changes at associates are shown proportionately as a charge or credit to Other reserves and classified according to their origin and disclosed in the statement of changes in equity, if appropriate.

The reporting dates and accounting policies of the associate and of the Company are similar to equivalent transactions and events under similar circumstances.

The results in associates are recognized on an accrual basis according to the percentage interest in the net income of the associate. If the associate has negative equity, a liability is recognized to the extent that the Company intends to continue funding the associated company. Dividends received from associates are recognized as a decrease in the investment, without affecting net income.

Should the significant influence be lost or the investment be sold or become held for sale, the equity method is discontinued, and the recognition of proportional results is suspended.

Investments in associates acquired prior to December 31, 2007 (before IFRS 1) have been valued at their equity value calculated on the book values of the associate.

(o) Investments in joint ventures

Joint ventures are contractual agreements whereby two or more parties (partners or shareholders) carry on an economic activity that is subject to a joint control. Joint control exists when decisions relating to operative and financial activities require the unanimous agreement of the parties. A joint-venture entity involves the establishment of a company or other entity in which the group of shareholders have interests according to their ownership.

The income, assets and liabilities of the joint venture are incorporated in the consolidated financial statements using the equity-value method, producing an identical treatment to investments in associates.

Investments in joint ventures acquired prior to December 31, 2007, have been valued at their equity value calculated on the book value of the joint venture.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(p) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Management determines the classification of its financial assets upon initial recognition.

(p.1) Non-derivative financial assets

Quiñenco and its subsidiaries classify their non-derivative financial investments, whether permanent or temporary, excluding equity method investments and non-current assets held for sale, into three categories:

(p.1.1) Amortized cost

This category includes financial assets that meet the following conditions: (i) their business model aims to keep those financial assets to obtain contractual cash flows, and (ii) the contractual terms and conditions of financial assets give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI criterion).

The Company's financial assets that meet the conditions to be valued at amortized cost, as established in IFRS 9, are cash equivalents, receivables and loans. These assets are recorded at amortized cost, which is initial market value less principal repayments, plus interest accrued but uncharged, calculated using the effective interest method.

The effective interest rate method is used to calculate the amortized cost of a financial asset or liability (or a group of financial assets or liabilities) and is charged to financial income or expense over the relevant period. The effective interest rate is the discount rate that sets the estimated cash flows receivable or payable over the expected life of the financial instrument (or, when appropriate, over a shorter period) exactly equal to the net book value of the financial asset or liability.

(p.1.2) Financial assets valued at fair value through other comprehensive income

This category includes financial assets that meet the following conditions: (i) their business model aims to keep the financial assets in order to collect the contractual cash flows and sell them, and (ii) the contractual terms and conditions meet the SPPI criterion.

These investments are recorded in the statement of consolidated financial position at fair value when it can be reliably determined. In the case of interests in unlisted companies or companies with very little liquidity, normally the market value cannot be reliably determined and, thus, when this occurs, they are valued at acquisition cost or a lesser amount if evidence of impairment exists.

Changes in fair value, net of its tax effect, are recorded in the consolidated statement of comprehensive income in "Other comprehensive income", until these investments are sold, when the cumulative amount under this heading is fully charged to the statement of income for the period.

Should the fair value be less than the acquisition cost, if there is objective evidence that the asset has been more than temporarily impaired, the difference is recorded directly in losses for the period.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(p) Financial instruments – initial recognition and subsequent measurement (continued)

(p.1) Non-derivative financial assets (continued)

(p.1.3) Financial assets at fair value through profit and loss

This category includes the trading portfolio. These are financial assets that have been designated as such upon initial recognition and which are managed and valued using the fair value criterion, and includes financial assets that do not comply with the conditions to be classified in the other two categories.

They are valued in the statement of consolidated financial position, with changes in value recorded directly in income when they occur.

Purchases and sales of financial assets are accounted for using their trade date.

(p.2) Cash and cash equivalents

This account within the consolidated statement of financial position includes cash, bank balances, time deposits and other highly-liquid short-term investments (less than 90 days from the investment acquisition date) that can be quickly converted into cash and have a low risk of value fluctuations.

(p.3) Impairment of financial assets

The Company and its subsidiaries apply an impairment model that is based on the expected credit loss, in accordance with the requirements of IFRS 9. This model is applied to financial assets measured at amortized cost or at fair value with changes in other comprehensive income, except for investments in equity instruments.

Impairment provisions are measured on the basis of:

- Credit losses expected in the next 12 months, or
- Expected credit loss throughout the life of the asset if there has been a significant increase in the credit risk of a financial instrument from its initial recognition to the reporting date.

The Company and its subsidiaries apply a simplified approach to trade receivables, contractual assets or leasing receivables, so that the impairment loss is always recorded by reference to the expected losses over the life of the asset.

(p.4) Non-derivative financial liabilities

The Company and its subsidiaries classified its financial liabilities using the following categories: fair value through profit and loss, derivatives designated as effective hedging instruments and amortized cost.

Management determines the classification of its financial liabilities upon initial recognition. Financial liabilities are derecognized when the obligation is settled, canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, the original liability is derecognized and the new liability recognized with the difference in the respective book values recorded in income. Financial liabilities are initially recognized at fair value and, in the case of loans, include costs directly attributable to the transaction.

Subsequent measurement of financial liabilities depends on their classification.

(p.4.1) Amortized cost

Other financial liabilities are subsequently measured at their amortized cost using the effective interest method. Amortized cost is calculated by taking into account any initial premium or discount on the loan and includes any transaction costs that are an integral part of the effective interest rate. This category includes trade and other payables and loans included in Other current and non-current financial liabilities.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(p) Financial instruments – initial recognition and subsequent measurement (continued)

(p.4) Non-derivative financial liabilities

(p.4.2) Fair value through profit and loss

Financial liabilities are classified as at fair value through profit and loss when they are held for trading or designated as such upon initial recognition. Gains and losses from liabilities held for trading are recognized in income. This category includes derivative instruments not designated for hedge accounting.

No financial liabilities have been designated at fair value through profit and loss as of December 31, 2022 and 2021, except for derivative instruments.

(p.5) Derecognition of financial assets and liabilities

Financial assets are derecognized when:

- The rights to receive cash flows related to those assets have expired or have been transferred or contractual obligations have been assumed that determine the payment of these flows to one or more receivers.
- The Company has substantially transferred the risks and rewards of ownership, or if these are not substantially transferred or retained, when it does not control the asset.

Transactions where the Company substantially retains all the risks and benefits, which are inherent to owning a financial asset, are recorded as a liability for the consideration received. The costs of the transaction are recorded in the income statement using the effective interest method.

Financial liabilities are derecognized when the obligation arising from those liabilities has been paid, canceled or expired.

(p.6) Offsetting financial assets and liabilities

The Company offsets its financial assets and liabilities, and the net amount is presented in the consolidated statement of financial position, only when:

- There is a legally enforceable right to offset the amounts recognized, and
- There is an intention to settle on a net basis, or to recover the asset and settle the liability simultaneously.

These rights can only be legally enforceable within the normal course of business, or if one or all of the counterparties becomes insolvent or bankrupt.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(p) Financial instruments – initial recognition and subsequent measurement (continued)

(p.7) Fair value measurement

The fair value of an asset or liability is defined as the price that would be received for selling an asset or paid for transferring a liability, in an orderly transaction between market participants at the measurement date.

Fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market, which is the market handling the greatest volume for that asset or liability. In the absence of a principal market, it is assumed that the transaction is carried out on the market most advantageous for the entity, which is the market that maximizes the sales value of the asset or minimizes the payment to transfer the liability.

The Company measures fair value using valuation techniques that are appropriate in the circumstances and where sufficient data is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities measured at fair value can be classified into the following levels based on the hierarchy of input data used in their valuation techniques:

- Level 1: Quoted (unadjusted) price in an active market for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in level 1 that are observable for assets or liabilities, either directly (as a price) or indirectly (as a derivative of a price). The methods and assumptions used to determine the fair values for level 2, per class of financial assets or liabilities, consider the estimated future cash flows.
- Level 3: Inputs for assets or liabilities that are not based on observable market information (non-observable inputs).

(p.8) Classification of financial instruments and financial liabilities

The classification of financial instruments and financial liabilities according to their category and valuation are reported in Note 27 Financial assets and liabilities.

(q) Current and deferred taxes

(q.1) Income taxes

Income tax assets and liabilities for the current and previous period have been determined considering the amount that is expected to be recovered or paid in accordance with current law or that substantially promulgated at the date of the consolidated statement of financial position in all countries where the Company generates taxable income.

The effects are recognized as a charge or credit to comprehensive income except for items directly recognized in equity accounts which are shown in Other reserves.

(q.2) Deferred taxes

Deferred taxes have been determined using the liability method on temporary differences between the tax assets and liabilities and their respective book values.

Deferred tax liabilities are recognized for all taxable temporary differences, with the exception of the following transactions:

- The initial recognition of goodwill.
- Acquired goodwill whose amortization is not deductible for tax purposes.
- The initial recognition of an asset or liability on a transaction that:
 - (1) is not a business combination, and
 - (2) at the time of the transaction does not affect the accounting or tax income.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(q) Current and deferred taxes (continued)

(q.2) Deferred taxes (continued)

- Temporary tax differences associated with investments in subsidiaries, associates and interests in joint ventures, where the opportunity of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences and tax credits for non-utilized tax losses, provided there is the probability that there will be taxable earnings available with which they can be used, with the following exceptions:

- The initial recognition of an asset or liability on a transaction that:
 - (i) is not a business combination, and
 - (ii) at the time of the transaction does not affect the accounting or tax income.

With respect to deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are only shown to the extent that there is a probability that the temporary differences will be reversed in the near future and that taxable profits will be available to absorb them.

As of the date of the consolidated statement of financial position, the book value of deferred tax assets is revised and reduced to the extent that it is probable that there is insufficient available taxable income to permit the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be applicable in the year the asset is realized or liability liquidated, on the basis of the tax rates and tax laws that have been promulgated or substantially promulgated at the date of the consolidated statement of financial position.

Deferred taxes related to items recognized directly to equity are recognized against equity and not against comprehensive income.

Deferred tax assets and liabilities are offset if there is a legal right to offset tax assets against tax liabilities and the deferred tax is related to the same entity and tax authority.

(r) Intangible assets

(r.1) Goodwill

Goodwill represents the difference between the acquisition value of shares or corporate rights in subsidiaries, associates and joint ventures and the fair value of the assets and liabilities, including identifiable contingent liabilities, at the date of acquisition. Goodwill related to acquisitions of associates and joint ventures is included in investments recognized using the equity and joint-ventures method.

Goodwill arising from the acquisition of subsidiaries, joint ventures or associates with a functional currency other than the Chilean peso, is valued in the functional currency of the company acquired, making the translation to Chilean pesos at the exchange rate current on the date of the consolidated statement of financial position.

When the subsidiary LQIF first adopted IFRS, it revalued its investment in the subsidiaries Banco de Chile, SM Chile and SAOS acquired in March 2001, in accordance with IFRS 1, calculating the difference between the acquisition value and fair value of the identifiable assets and liabilities including the identifiable contingent liabilities as of that date.

With the exception of the above, goodwill generated prior to the transition date to IFRS and which corresponds to acquisitions made prior to March 2001, is maintained at the net value recognized at the date of transition from Chilean GAAP to IFRS.

Goodwill is not amortized and at the close of the accounting period it is tested for indications of impairment that may reduce the recoverable value to an amount below the net book cost, in which case an adjustment for impairment is made. Impairment losses related to goodwill cannot be reversed in future periods.

As of the date of these consolidated financial statements there are no indications of impairment that warranted making any adjustment.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(r) Intangible assets (continued)

(r.2) Port concessions

The subsidiary SM SAAM has port concessions that are recognized under IFRIC12. They are recorded as intangible assets as they have the right to collect income based on use. The cost of these intangible assets includes the mandatory infrastructure defined in the concession contract and the present value of all minimum contract payments, for which a financial liability is recorded for the value of the intangible asset.

These consolidated financial statements contain port concession agreements recorded by indirect subsidiaries Iquique Terminal Internacional S.A., Terminal Marítima Mazatlán S.A. de C.V., Sociedad Portuaria Caldera S.A. and Sociedad Portuaria Granelera de Caldera S.A. The indirect associates that record port concession agreements in their financial statements are Antofagasta Terminal Internacional S.A., San Antonio Terminal Internacional S.A., San Vicente Terminal Internacional S.A. and Puerto Buenavista S.A.

(r.3) Customer relationships

The subsidiary SM SAAM has intangible assets called "Customer Relationships" that arose during business combinations. They are amortized over the estimated benefit return period associated with the customer portfolio for each company at the acquisition date. These assets are amortized as of July 1, 2014 (ST Canada), November 1, 2019 (ST Brazil), November 1, 2020 (Aerosan Airport Services and Servicios Aeroportuarios Aerosan), January 29, 2021 (Intertug), April 4, 2022 (Standard Towing Ltd and Davies Tugboat Ltd.) and October 3, 2022 (Ian Taylor Peru S.A.C.), which are the dates of these transactions.

(r.4) Intangible assets other than goodwill

These are mainly trademarks, acquisition rights to customer portfolios and computer software.

Assets with a defined useful life are valued at cost less accumulated amortization and impairment. Useful life has been determined based on the period of time over which financial benefits are expected. The amortization period and method are reviewed annually and any change is treated as a change in an estimate.

The subsidiary LQIF has assigned indefinite useful lives to the brand Banco de Chile and the contract to use the Citibank brand, as it is expected that they will indefinitely contribute to generating net cash flows for the banking sector. These assets are tested for impairment every year.

Assets with an indefinite useful life are valued at cost less accumulated impairment and are not amortized.

(s) Asset impairment

(s.1) Financial investments held for sale

At the date of closing the consolidated statement of financial position, the Company and its subsidiaries evaluate whether there is objective evidence that an investment held for sale has been impaired.

In the case of equity investments classified as held for sale, if there is a significant and prolonged reduction in the fair value of the investment below their acquisition costs, this is evidence of impairment. Should there be an impairment loss measured as the difference between their cost of acquisition and their present fair value, less any impairment previously recognized in comprehensive income, this is transferred from Other reserves to comprehensive income for the period. The reversal of impairment losses for these instruments is recognized directly in Other reserves.

(s.2) Non-financial assets

The Company and its subsidiaries regularly evaluate whether there are indications that any of its non-financial assets might be impaired. If there are such indications, the Company makes an estimate of the recoverable amount of the asset.

The recoverable amount of an asset is the higher of the fair value of an asset or cash-generation unit less the costs of sale and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are clearly independent of other assets or disposal groups.

When the book value of an asset exceeds its recoverable amount, the asset is considered impaired and is reduced to its recoverable amount.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(s.2) Non-financial assets (continued)

In evaluating the value in use, the future estimated cash flows are discounted using a discount rate before tax that reflects current market conditions, the value of money over time and the specific risks of the asset.

An appropriate valuation model is used for determining the fair value less sale costs. These calculations are corroborated by valuation multiples, the market prices of the shares for publicly-quoted subsidiaries or other available indicators of fair value.

Losses for impairment of continued operations are shown against comprehensive income in the categories of expenses associated with the function of the impaired asset, except for properties previously re-evaluated where the revaluation was recognized against equity. In this case, the impairment is also recognized as a charge to equity up to the amount of any previous re-evaluation.

Assets other than goodwill are tested every year for indications that the impairment loss previously recognized may no longer exist or have been reduced. The recoverable amount is estimated if such indications exist. An impairment loss previously recognized is reversed only if there have been changes in the estimates used in determining the recoverable amount of the asset since the last time that an impairment loss was recognized. If this is the case, the asset's book value is increased to its recoverable amount. This increased amount cannot exceed the resulting book value, net of depreciation, had an impairment loss never been recognized in previous years. This reversal is recognized as a credit to comprehensive income unless an asset is recorded at the revalued amount, in which case the reversal is dealt with as a revaluation increase.

(s.3) Goodwill

Goodwill is reviewed annually to determine whether any indicators of impairment exist, or more often if events or changes in circumstances indicate that the book value may be impaired.

Impairment is determined by evaluating the recoverable amount of the cash-generating unit (or group of cash-generating units) related to the goodwill.

For these purposes, goodwill is assigned from the date of acquisition to each unit or groups of cash-generating units that is expected to benefit from the synergies of the combination, notwithstanding that other assets or liabilities of the Company are assigned to these units or groups of units. Each unit or group of units to which goodwill is assigned:

- (i) represents the lowest level within the Company to which the goodwill is monitored for internal management purposes, and
- (ii) is no larger than a segment.

A loss for impairment is recognized when the recoverable amount of the cash-generating unit (or group of cash-generating units) is lower than the book value of the cash-generating unit (or group of cash-generating units) to which the goodwill is assigned. Impairment losses related to goodwill cannot be reversed in future periods.

(s.4) Intangible assets with indefinite useful lives

The impairment of intangible assets with indefinite useful lives is tested annually at the individual level or the level of the cash-generating unit, as the case may be.

(s.5) Associates and joint ventures

Following the application of the equity value, the Company and its subsidiaries determine whether it is necessary to book a loss for additional impairment of the investment in its associates and joint ventures. Investments in associates or joint ventures are tested every year for objective evidence that they are impaired. If this were the case, the amount of impairment is calculated as the difference between the fair value of the associate and joint venture and the cost of acquisition and, should the acquisition value be higher, the difference is recognized against comprehensive income.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(t) Provisions

(t.1) General

Provisions are recognized when:

- The Company has an obligation with respect to a past event,
- It is probable that an outflow of resources will be required including financial benefits to settle the obligation,
- The value of the obligation can be reliably estimated.

Should the provision or part of it be reimbursed, the reimbursement is shown as a separate asset only if its collection is certain.

The charge for any provision is shown net of any reimbursement in the consolidated statement of comprehensive income.

If the effect of the value of money over time is significant, provisions are discounted using a discount rate before tax that reflects the specific risks of the liability. When a discount rate is used, the amount of the provision due to the passage of time is recognized as a financial cost.

(t.2) Provisions for employee benefits – Termination benefits

The indirect subsidiary Enex has agreed a termination benefit plan with its personnel for years of service, equivalent to one month's wages for every year worked as from the third year. The provision has been calculated using the actuarial value. The actuarial value involves assumptions being made about discount rates, expected returns on assets, future wage increases, mortality rates and future pension increases. Given the long-term nature of these plans, such estimates are subject to considerable uncertainty.

The subsidiary SM SAAM and subsidiaries have agreed a termination benefit with their personnel based on years of service and have calculated this obligation using the actuarial value method, based on the terms of current agreements and contracts.

(t.3) Provision for post-retirement fund

The indirect subsidiary Enex has had a pension fund for its former employees since 1987. The cost of the benefit has been determined based on an actuarial calculation using the so-called "aggregate funding" method, made by external professionals. This calculation considers an annual discount rate of 1.90%, which is the rate at which long-term inflation-indexed financial instruments are traded.

(t.4) Provisions for employee benefits - Personnel vacations

The Company and its subsidiaries have made provisions for personnel vacations on an accrual basis.

(t.5) Provisions for employee benefits - Bonuses

The Company and its subsidiaries recognize a liability for bonuses for their senior executives on an accrual basis, where appropriate.

(t.6) Provisions for removal of tanks

The indirect subsidiary Enex has provided for tank removal costs, according to legal obligations imposed by the Superintendency of Electricity and Fuels, which are valued at the present value of tank removal costs based on their capacity, an applicable discount rate and their estimated remaining useful lives.

(u) Interest-bearing loans

All loans are initially recognized at the fair value of the payment received less the direct costs attributable to the transaction. Subsequent to initial recognition they are measured at amortized cost using the effective interest method.

Amortized cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. Interest accrued at this effective interest rate is included in "Finance costs" in the consolidated statement of income.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(v) Financial derivative contracts and hedging activities

The Company and its subsidiaries use financial derivative contracts such as interest rate swaps, cross currency swaps and currency forwards to hedge its risks associated with interest and exchange rate fluctuations.

Derivatives are initially recognized at fair value on the date on which the derivative contract is signed and are subsequently re-measured at their fair value. The method for recognizing the loss or gain resulting from changes in the fair value depends on if the derivative has been designated as a hedging instrument and, if so, of the nature of the hedged item. The Company designates certain derivatives as fair value hedges and cash flow hedges.

The Company and its subsidiaries document the relationship between hedge instruments and hedged items at the beginning of the transaction, as well as its risk management objectives and strategy for carrying out diverse hedge transactions. The Company and its subsidiaries also document their assessment, both at inception and subsequently on an ongoing basis, of the effectiveness of the hedge in offsetting movements in the fair values or cash flows of the hedged items.

(v.1) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated income statement, together with any change in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(v.2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in Other Comprehensive Income within the cash flow hedge reserve. Any loss or gain related to the ineffective portion is recognized immediately in the Income Statement within finance costs and exchange differences, based on their nature. Amounts accumulated in Other reserves are recorded in the consolidated income statement for the period when the hedged item impacts it. For variable interest rate hedges, the amounts recognized in equity are reclassified to finance costs as the associated debts accrue interest. For cross currency and interest swaps, the amounts recognized in Other reserves are reclassified to the income statement as finance costs provided that interest is accrued, together with any exchange differences arising on valuing the debt at closing exchange rates. A hedge is considered highly effective when it meets the requirements of IFRS 9. When a hedge instrument matures, is sold or when it no longer meets hedge accounting requirements, gains or losses accumulated in Other reserves remain in equity and are recognized when the forecast transaction affects the consolidated income statement. When the forecast transaction is not expected to occur, any accumulated gain or loss in Other reserves is immediately recognized in the income statement within finance costs or exchange differences, based on their nature.

(v.3) Derivatives not designated as hedges

Certain derivatives are not recorded using hedge accounting and are recognized as instruments at fair value through profit and loss. Changes in the fair value of any derivative instrument recorded in this way are recognized immediately in the consolidated income statement.

As of December 31, 2022 and 2021, the Company has derivative instruments and hedges as disclosed in Note 21 i).

(v.4) Embedded derivatives

The Company evaluates whether there are embedded derivatives in financial and non-financial instrument contracts, which are not already accounted for as assets or liabilities at fair value through profit or loss, to determine if their characteristics and risks are closely related to the host contract. If they are not closely related, embedded derivatives are separated from the host contract and recorded at fair value with changes recognized immediately in the consolidated income statement.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(w) Cash and cash equivalents

Cash equivalents relate to short-term and highly-liquid investments that are easily convertible into known amounts of cash, subject to an insignificant risk of change in their value, and mature in no more than three months.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and the cash equivalent as defined above, net of bank overdrafts.

The consolidated statement of cash flows shows the cash movements during the period using the direct method, except for the banking sector. The terms used in these cash flow statements are defined as follows:

- Cash flows: Receipts and payments of cash or cash equivalents including highly liquid investments with a maturity of less than three months that are unlikely to suffer changes in value.
- Operating activities: Activities that constitute the principal source of the Company's revenue, plus other activities that cannot be classified as investment or financing.
- Investment activities: Activities involving the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that bring about changes in the size and composition of equity and financial liabilities.

(x) Earnings per Share

Basic earnings per share is calculated as the ratio of earnings (loss) for the period attributable to the Company to the weighted average number of common shares in circulation during that period, excluding the average number of shares of the Parent company held by any subsidiary company.

(y) Current and non-current classification

Except for the banking subsidiaries, balances in the consolidated statement of financial position are classified as a function of their maturities, i.e. current being those maturing in twelve months or less and non-current those maturing in over one year. Should the company have any obligations that mature in less than twelve months but can be refinanced over the long term at the Company's discretion, through unconditionally available credit agreements with long-term maturities, such obligations may be classified as long-term liabilities.

(z) Minimum dividend

Article 79 of Chile's Corporations Law establishes that, except if unanimously agreed otherwise by shareholders of all issued shares, listed corporations should distribute a cash dividend to its shareholders on a yearly basis, prorated based on their shares or the proportion established in the company's by-laws if there are preferred shares, of at least 30% of net income for each period, except when accumulated losses from prior periods must be absorbed. Considering that to achieve a unanimous agreement is practically impossible given the well-spread composition of the share capital of Quiñenco, the minimum dividend obligation to shareholders is determined at the end of each period, net of the interim dividends that may have been approved during the year and are recognized under the heading Other current liabilities as a charge to an account included in equity called Retained earnings (accumulated losses). Interim and final dividends are deducted from "equity" as soon as they are approved by the competent entity, which in the first case is normally the Company's Board of Directors and in the second case is shareholders at the General Shareholders' Meeting.

(aa) Segment reporting

Operating segments are defined as the components of a company on which the information in the financial statements is available and is constantly evaluated by the principal organ that makes decisions on the assignment of funds and evaluation of performance. The Company operates in six business segments: Manufacturing, Financial, Energy, Transport, Port Services and Other (Quiñenco and others). The associate Inversiones y Rentas S.A. (parent company of CCU) is presented in the Other segment.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

The main accounting policies of the Financial Banking Institutions regulated by the Financial Market Commission are presented below.

(bb) Legal provisions

Decree Law 3,538 of 1980, in accordance with the text replaced by Article 1 of Law 21,000 that "Establishes the Financial Market Commission", provides in Article 5, paragraph 6, that the Financial Market Commission may "set the standards for the preparation and presentation of the reports, balance sheets, statements of position and other financial statements of the audited entities and determine the principles in accordance with which they must keep their accounts".

According to regulations, banks must use the accounting principles mandated by the CMF and any matter not addressed therein, as long as it does not contradict its instructions, should adhere to generally accepted accounting principles in technical standards issued by the Chilean Association of Accountants, which coincide with IFRS issued by the IASB. If differences arise between these generally accepted accounting principles and the accounting criteria issued by the CMF, the latter shall prevail.

Notes to the consolidated financial statements contain additional information to that presented in the consolidated statements of financial position, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows. These notes provide clear, relevant, reliable and comparable narrative descriptions and details on these statements.

(cc) Basis of consolidation

The financial statements of Banco de Chile as of December 31, 2022 and 2021, have been consolidated with those of its subsidiaries using the global integration method (line by line). These consist of the preparation of the individual financial statements of Banco de Chile and of the companies in the consolidation, and include the adjustments and reclassifications necessary for standardizing their accounting policies and valuation criteria with those used by Banco de Chile. The consolidated financial statements have been prepared using uniform accounting policies for similar transactions and other events in equivalent circumstances.

Transactions and significant balances (asset and liabilities, equity, revenue, expenses and cash flows) from transactions between Banco de Chile and its subsidiaries and between these have been eliminated upon consolidation, and the non-controlling interest has also been recognized corresponding to the percentage interest of third parties in the subsidiaries of which Banco de Chile is not directly or indirectly the owner, and is shown separately in the consolidated equity and results of Banco de Chile.

(cc1) Subsidiaries

The consolidated financial statements as of December 31, 2022 and 2021, incorporate the financial statements of the Bank and the controlled companies (subsidiaries) in accordance with IFRS 10 "Consolidated financial statements". Control is achieved when the Bank is exposed, or is entitled, to variable returns from its involvement in the investee and has the ability to influence those returns through its power over it. Specifically, a company controls a subsidiary when it has rights that give it the ability to direct the subsidiary's business.

When the Bank has less than the majority of voting rights in an investee, but these voting rights are sufficient to give it the practical ability to unilaterally direct the investee's relevant activities, the Bank is determined to have control. The Bank considers all relevant factors and circumstances in evaluating whether voting rights are sufficient to obtain control, including:

- The voting rights held by the Bank, compared to the number and distribution of the rights held by other vote holders.
- Potential voting rights held by the Bank, other vote holders or other parties.
- Rights from other contractual agreements.
- Any additional facts and circumstances that indicate that the Bank can direct the business when such decisions have to be taken, including the voting-pattern behavior at previous shareholders' meetings.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(cc) Basis of Consolidation (continued)

(cc1) Subsidiaries (continued)

The Bank reevaluates whether or not it has control in an subsidiary if the facts and circumstances indicate that there have been changes in one or more of the elements of control listed above.

The entities that the Bank controls and consolidates are detailed as follows:

ID number	Entity	Country	Functional currency	Ownership interest					
				Direct		Indirect		Total	
				2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
96.767.630-6	Banchile Administradora General de Fondos S.A.	Chile	Ch\$	99.98	99.98	0.02	0.02	100.00	100.00
96.543.250-7	Banchile Asesoría Financiera S.A.	Chile	Ch\$	99.96	99.96	—	—	99.96	99.96
77.191.070-K	Banchile Corredores de Seguros Ltda.	Chile	Ch\$	99.83	99.83	0.17	0.17	100.00	100.00
96.571.220-8	Banchile Corredores de Bolsa S.A.	Chile	Ch\$	99.70	99.70	0.30	0.30	100.00	100.00
96.932.010-K	Banchile Securitizadora S.A. in liquidation (*)	Chile	Ch\$	—	99.01	—	0.99	—	100.00
96.645.790-2	Socofin S.A.	Chile	Ch\$	99.00	99.00	1.00	1.00	100.00	100.00

(*) Subsidiary being liquidated See Note 40.3 b).

(cc2) Investments in companies as joint ventures

Associates

These are entities in which the Bank has the capacity to exercise a significant influence, although not control. Normally, this ability requires an interest of between 20% and 50% of the voting rights. Other factors considered in determining whether there is significant influence over an entity include representation on the Board of Directors and any material transactions. Such factors could determine whether there is significant influence over an entity, despite holding less than 20% of the voting rights.

Investments in associates with significant influence, are recognized using the equity method. According to the equity method, investments are initially recorded at cost and subsequently increased or decreased to reflect the Bank's share of the associate's net profit or loss and other movements in the associate's equity. Any goodwill arising from the acquisition of a company is included in the investment's book value, net of accumulated impairment losses.

Joint arrangements

Joint arrangements are contractual agreements through which two or more parties undertake an economic activity that is subject to joint control. Joint control exists when decisions on important activities require the unanimous consent of both parties.

According to IFRS 11 "Joint Arrangements", an entity must choose whether its joint arrangement is either a "Joint operation" or a "Joint venture".

Investments defined as a "Joint operation" are recognized by recording the assets, liabilities, revenue and expenses relating to its interest in a joint operation.

An interest classified as a "Joint venture" is recognized using the equity method.

The following are investments that have been defined as joint ventures:

- Artikos S.A.
- Servipag Ltda.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(cc) Basis of Consolidation (continued)

(cc3) Minority investments in other companies

The Bank may make an irrevocable choice at initial recognition to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading and is not a contingent payment received by an acquirer in a business combination to which IFRS 3 applies.

(cc4) Special purpose entities

In accordance with current regulations, the Bank must continuously analyze its consolidation perimeter, bearing in mind that the key criteria is the degree of control that the Bank has over a given entity, and not its ownership interest in its equity.

As of December 31, 2022 and 2021, the Bank does not control and has not created any special purpose entities.

(cc5) Fund management

The Bank and its subsidiaries manage and administer assets held in mutual investment funds and other means of investments on behalf of investors, receiving remuneration in accordance with the service provided and market conditions. The resources managed belong to third parties and are not included in the consolidated statement of financial position.

As established in IFRS 10, for the purposes of consolidation it is necessary to assess the role that the Bank and its subsidiaries play with respect to the funds managed, to determine whether this role is as agent or principal. This evaluation must take into account the following elements:

- The scope of their authority to make decisions in the fund.
- The rights held by other parties.
- Fees it is entitled to in accordance with the fee agreement.
- The exposure of whosoever makes decisions to the variability of the returns from other interests held by the participant.

The Bank and its subsidiaries manage on behalf and for the benefit of investors, acting solely as agent. They do not control the funds in that category, when exercising their authority to make decisions, as established in the regulations. Therefore, as of December 31, 2022 and 2021, it acts as agent and no funds are consolidated.

(dd) Non-controlling interests

Non-controlling interests represent the proportion of earnings and net assets that the Bank does not control. They are presented in the consolidated statement of income and the consolidated statement of financial position separately from the Bank's owners' equity.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(ee) Estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. These estimates refer to:

1. Impairment of debt instruments (Notes 40.8 and 40.38).
2. Provisions for credit risk (Notes 40.11, 40.24 and 40.38).
3. Useful life of intangible assets, property, plant and equipment and right-of-use assets (Notes 40.13, 40.14 and 40.15).
4. Current and deferred taxes (Note 40.16).
5. Provisions (Note 40.22).
6. Contingencies and commitments (Note 40.26).
7. Fair value of financial assets and liabilities (Note 40.41).

Significant estimates and assumptions are reviewed regularly by the Bank's management, in order to quantify certain assets, liabilities, revenue, expenses and commitments. Revisions to accounting estimates are recognized in the year they are revised.

These estimates have not significantly changed during the year ended December 31, 2022.

(ff) Financial assets and liabilities

The classification, valuation and presentation of financial assets and liabilities are based on the standards issued by the CMF in the Compendium of Accounting Standards, using the following criteria.

(ff1) Financial assets

(ff1.1) Classification of financial assets

Financial assets are classified on initial recognition into the following categories: Financial assets held for trading at fair value through profit or loss; Non-trading financial assets obligatorily valued 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 assets at amortized cost.

The classification of financial assets uses the criteria in IFRS 9, and they depend on the business model used to manage the assets and the contractual characteristics of the associated cash flows, commonly known as the "Solely Payment of Principal and Interest" (SPPI) criterion.

The valuation of these assets should reflect how the Bank manages groups of financial assets and should not depend on the intention for an individual instrument.

A debt financial instrument should be valued at amortized cost if it meets the following two conditions:

- The financial asset is maintained within a business model whose objective is to hold the financial assets to obtain contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely receipts of principal and interest.

A debt financial instrument must be valued at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise to cash flows that are solely receipts of principal and interest on the outstanding principal.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.1) Classification of financial assets (continued)

A debt financial instrument is classified at fair value through profit or loss whenever the business model or the characteristics of its contractual cash flows indicate that it is not appropriate to classify it in any other category.

Equity financial instruments are generally valued at fair value through profit and loss. However, the Bank may irrevocably choose at initial recognition to present subsequent changes in fair value in other comprehensive income.

Financial assets will only be reclassified if the Bank changes the associated business model. In this case, all financial assets within that business model will be reclassified. Any change in the business model objective must be prior to the reclassification date.

(ff1.2) Revaluation of financial assets

Initial value

Financial assets that are not valued at fair value through profit or loss are initially recognized at fair value plus transaction costs that are directly attributable to their purchase or issue, using the Effective Interest Rate (EIR) method. The EIR calculation includes all fees and other payments or receipts that form part of the EIR. Transaction costs include incremental costs that are directly attributable to the purchase or issuance of a financial asset.

Subsequent measurement

All changes in the value of financial assets due to the accrual of interest and similar items are recorded under "Interest income" or "Interest expense" in the consolidated income statement for the corresponding period, except for trading derivatives that do not form part of accounting hedges.

Changes in valuations occurring after initial recognition for any other reason are treated as follows, depending on the financial asset classification.

(ff1.3) Financial assets held for trading at fair value through profit or loss; Non-trading financial assets obligatorily valued at fair value through profit or loss; Financial assets designated at fair value through profit or loss

Financial assets held for trading at fair value through profit or loss includes financial assets whose business model is purchasing and selling them to generate short-term gains.

Non-trading financial assets obligatorily valued at fair value through profit or loss are classified within a business model whose objective is to receive contractual cash flows from selling financial assets, but the contractual cash flows have not met the PPI criterion.

Financial assets are designated at fair value through profit or loss only when such designation eliminates or significantly reduces the inconsistencies in value that would arise from valuing those assets on a different basis.

The assets in these classifications of the consolidated statement of financial position are valued after their acquisition at fair value and any changes in their value are recorded at their net value in "Financial assets and liabilities held for trading", "Non-trading financial assets obligatorily valued at fair value through profit or loss" and "Financial assets and liabilities designated at fair value through profit or loss" in the consolidated income statement. Exchange differences are recorded in the consolidated income statement of as "Exchange, indexation and accounting hedging of foreign currency."

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.4) Financial assets valued at fair value through other comprehensive income

Debt financial instruments

These assets are valued at fair value. Interest and indexation income from these instruments, as well as their exchange differences and impairment losses are recorded in the consolidated income statement, while subsequent changes in their valuation are recorded net of taxes temporarily as "Changes in fair value of financial assets at fair value through other comprehensive income" in the consolidated statement of other comprehensive income.

These changes in fair value of financial assets at fair value through other comprehensive income continue to form part of the Bank's consolidated shareholders' equity until the asset is derecognized from the consolidated statement of financial position. If these assets are sold, then the gain or loss is recognized in "Financial result on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income" in the consolidated income statement.

Net impairment losses for the year on financial assets at fair value through other comprehensive income are recorded in "Impairment for credit loss of other financial assets at amortized cost and financial assets at fair value through other comprehensive income" in the consolidated income statement for that period.

Equity financial instruments

The Bank may make an irrevocable decision upon initial recognition of investments in equity instruments to present subsequent changes in fair value in other comprehensive income. Subsequent changes in this valuation will be recognized in "Changes in fair value of equity instruments designated at fair value through other comprehensive income". Dividends received from these investments are recorded in "Result of investments in other companies" in the consolidated income statement. These instruments are not subject to the impairment model in IFRS 9.

(ff1.5) Financial assets at amortized cost

These assets are valued subsequent to their acquisition at "amortized cost", in accordance with the "effective interest rate" method.

They are subdivided for presentation purposes in the consolidated statement of financial position as follows:

- Repurchase agreements and securities lending rights
- Debt financial instruments
- Loans and advances to banks
- Customer loans and receivables - commercial, mortgage and consumer

Impairment losses on assets at amortized cost incurred in each year are recorded in "Provisions for credit risk on loans and advances to banks and customer loans and receivables" and "Impairment for credit risk from other financial assets at amortized cost and financial assets at fair value through other comprehensive income" in the consolidated income statement.

Repurchase agreements and securities lending rights and obligations

Resale agreements are a form of investment. Financial instruments are bought under these agreements, which are classified in "Resale agreements and securities borrowing" and are valued with the contractual interest rate using the amortized cost method. Under current regulations, the Bank does not recognize as own portfolio those instruments bought under repurchase agreements.

Repurchase agreements are also a form of financing, which are included as liabilities in "Repurchase agreements and securities lending obligations." Investments that are sold are subject to a repurchase obligation and serve as a guarantee for the loan are debt financial instruments. The repurchase obligation of the investment is classified as a liability under "Repurchase agreements and securities lending," which is valued with the contractual interest rate.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Debt financial instruments

Debt financial instruments at amortized cost are recognized at their cost plus accrued interest and indexation, less provisions for impairment when the amount recognized exceeds their estimated recovery value.

Interest and indexation income on debt financial instruments at amortized cost are included in “Interest and indexation income”.

Investment securities used as accounting hedges are adjusted under hedge accounting rules.

Loans and advances to banks

These include the balances on transactions with domestic and foreign banks, including the Chilean Central Bank and foreign central banks. Further details are in Note 40.11 (c) Financial assets at amortized cost.

Customer loans and receivables

Originated and acquired customer loans and receivables are non-derivative financial assets with fixed or defined payments that are not quoted on an active market and that the Bank has no intention of selling immediately or in the short term.

(i) Valuation method

Customer loans and receivables are valued initially at cost plus incremental transaction costs, and later measured at their amortized cost using the effective interest rate method less any impairment losses, except when the Bank defines specific loans as hedged items, which are valued at fair value through profit and loss, as described in letter (ag).

(ii) Lease agreements

Receivables under lease agreements, included in Customer loans and receivables, relate to the regular rental lease payments that meet the requirements for being classified as finance leases and are shown net of non-accrued interest at the close of each year.

(iii) Factoring transactions

They are valued at the amounts disbursed by the Bank in exchange for invoices or other credit-representative commercial instruments, with or without recourse, received at a discount. The difference between the disbursement and the nominal value of the invoices is recorded in the income statement as interest income using the effective interest rate method over the financing period.

In those cases where instruments are without recourse, the Bank bears the insolvency risk of the party obliged to pay.

(iv) Impaired portfolio

The impaired portfolio is comprised of the following assets, as provided in Chapter B-1 of the CMF Compendium of Accounting Standards:

- a) It includes loans to debtors subject to individual evaluations in the default portfolio and categories B3 and B4 of the substandard portfolio.
- b) It includes all loans to debtors subject to group evaluations in the default portfolio.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(v) Provisions for credit risk

The Bank continually evaluates the entire portfolio of loans and contingent loans, with the objective of establishing sufficient provisions to cover the expected losses associated with the characteristics of these debtors and their loans, based on their payment history and subsequent recovery.

The provisions required to cover risks of losses on loans have been constituted according to CMF regulations. Loans are shown net of such provisions, and as a liability under the heading “Special provisions for credit risk” in the case of contingent loans.

Provisions for credit risk are constituted using models based on individual and group debtor analysis, as required by the CMF. These models and any change to their design and application are approved by the Bank's Board of Directors.

(v.1) Provisions by individual evaluation

The individual analysis of debtors is necessary in the case of companies whose size, complexity or level of exposure with the entity requires knowing and analyzing them in detail.

Naturally, the analysis of debtors should be focused on their credit quality, defined by their capacity and willingness to meet their credit obligations, through sufficient and reliable information, and analyzing their guarantees, term, interest rates, currency, indexation, etc.

For provisioning purposes, banks should evaluate the quality of credit and their debtors and their credit and contingent liabilities should be grouped by their corresponding category, following the assignment of one of the following three portfolio conditions: Normal, Substandard and Default.

v.i.1 Normal and substandard portfolios

Normal portfolio: This is composed of debtors whose payment capacity enables them to meet their obligations and commitments and it is not foreseen that this economic-financial situation will change. Loans in this portfolio are classified in categories A1 through A6.

Substandard portfolio: This is composed of debtors with financial difficulties or significant decline in their payment capacity and about which there are reasonable doubts regarding repayment of all principal and interest in the contractually agreed-upon terms, showing little room to meet its financial obligations in the short term.

Those debtors who have recently made payments more than 30 days late also form part of the substandard portfolio. Loans in this portfolio are classified in categories B1 through B4.

As a result of an individual debtor analysis, the Bank classifies debtors into the following categories and subsequently assigns a probability of default and loss given default that result in the following expected loss percentages:

Portfolio	Debtor Category	Probability of Default (%) (PD)	Loss Given Default (LGD) (%)	Expected Credit Loss (ECL) (%)
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

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

v.i.1 Normal and substandard portfolios (continued)

To determine the amount of provisions to be made for the normal and substandard portfolios, the exposure subject to provisions first has to be estimated, to which are applied the respective percentage losses (expressed in decimals) comprising the probability of default (PD) and loss given default (LGD) established for the category in which the debtor and/or its qualified guarantor is grouped, as the case may be.

The exposure subject to provisions corresponds to loans plus contingent credits, less amounts recoverable through the liquidation of collateral or financial guarantees that support transactions. Loan is defined as the book value of the loans and receivables of the respective debtor while contingent loans are calculated by applying No. 3 of Chapter B-3 of the Compendium of Accounting Standards.

For real guarantees, the Bank must demonstrate that the value assigned to that deduction reasonably reflects the value that it will obtain from disposing of the assets or capital instruments. Also, in special cases, the substitution of credit risk of the direct debtor for the credit quality of the co-signer or guarantor may be allowed. In no case may the guaranteed securities be discounted from the amount of the exposure, as this procedure is only applicable in the case of financial or real guarantees.

For calculation purposes, the following must be considered:

$$\text{Debtor provision} = (\text{PE-GE}) \times (\text{PD debtor} / 100) \times (\text{LGD debtor} / 100) + \text{GE} \times (\text{PD guarantee} / 100) \times (\text{LGD guarantee} / 100)$$

Where:

PE = Provisioned exposure, (Loans + Contingent loans) - Financial or real guarantees

GE = Guaranteed exposure

However, the Bank should maintain a minimum provision of 0.50% of all loans and contingent credits of the normal portfolio.

v.i.2 Default portfolio

The default portfolio includes debtors and their loans that are considered to be of doubtful recovery as they show an impaired or nil payment capacity. This portfolio consists of debtors that have ceased to pay creditors or with evident indication that they will do so, those for which a forced restructuring of debt is necessary to reduce the obligation or delay principal or interest payments, and any debtor with interest or principal balances more than 90 days past due for any loan. Provisioning percentages are used for recording provisions for the default portfolio, to be applied to the amount of exposure, which equates to the sum of loans and contingent credits of the same debtor.

Provisions are recognized for the default portfolio based on a provision percentage applied to the amount of the exposure, which is equal to the sum of the loans and contingent loans of the same debtor. In order to apply this percentage, first an expected loss rate must be estimated, minus the exposure of amounts recoverable by executing real and financial guarantees that support these transactions and, if there is concrete information to justify it, also minus the present value of the recoveries that can be obtained through collections, net of related collections expenses. That expected loss rate must fit into one of the six categories defined based on the range of losses effectively expected by the Bank for all loans of the same debtor.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(aa1) Financial assets (continued)

(aa1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

v.i.2 Default portfolio (continued)

These categories, their range of loss based on the Bank's estimates and the provision percentages that are applied to the exposed amounts, are described in the following table:

Portfolio	Scale of Risk	Range of Expected Loss	Provision (%)
Portfolio Default	C1	Under 3%	2
	C2	Between 3% and 20%	10
	C3	Between 20% and 30%	25
	C4	Between 30% and 50%	40
	C5	Between 50% and 80%	65
	C6	Over 80%	90

For calculation purposes, the following must be considered:

$$\text{Rate of Expected Loss} = (E-R)/E$$

$$\text{Provision} = E \times (PP/100)$$

Where:

E = Exposure amount

R = Recoverable amount

PP = Provisioning percentage (according to the category in which the expected loss rate is grouped).

All of the debtor's loans shall remain in the impaired portfolio until payment capacity or behavior has returned to normal. However, the Bank will continue to write off individual loans that comply with the conditions in Title II of Chapter B-2 of the Compendium of Accounting Standards. In order to remove a debtor from the default portfolio, once the circumstances that led it to be classified as such according to these rules no longer exist, at least the following copulative conditions must be met:

- The debtor has no obligation to the Bank that is more than 30 calendar days past due.
- The debtor has not been granted any new refinancing to pay its obligations.
- At least one payment includes a principal installment.
- If the debtor has any loan with partial payments within a period of less than six months, and two payments have been made.
- If the debtor must pay for one or more loans in monthly installments, then at least four consecutive installments have been paid.
- The debtor has no direct unpaid debts based on information compiled by the CMF, except for insignificant amounts.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(v.ii) Provisions by group evaluation

Group evaluations are relevant for residential mortgage, consumer loan and commercial student loan exposures and for exposures to borrowers that simultaneously meet the following conditions:

- (i) The Bank has an aggregate exposure to the same counterparty of less than UF 20,000. Aggregate exposure should be considered gross of provisions or other mitigants. Residential mortgages should be excluded from the calculation. The gross amount of off-balance sheet items is calculated using the loan conversion factors in Chapter B-3 of the CNCB. The Bank must use the definition of a corporate group in Part II of Chapter 12-16 of the Updated Compendium to determine the aggregate exposure.

Banks must keep a complete record of all transactions with entities belonging to corporate groups. The bank must at least form and monitor groups considering the costs involved in forming debtor groups for all debtors with an outstanding exposure above a minimum defined by the banking institution, which may not be greater than 1% of its regulatory capital when the group portfolio is defined.

- (ii) The aggregate exposure to one counterparty does not exceed 0.2% of the total commercial group portfolio. The criterion will be checked only once to avoid circular counting.

The individual debtor analysis model must be applied to the remaining commercial loan exposures.

Determining whether the analysis by group or individual should be based on consolidated data once a year, or after any significant change to the Bank's portfolio, such as significant portfolio mergers, acquisitions, purchases or sales.

Group provision assessments start by grouping loans with similar characteristics such as type of debt and agreed-upon conditions in order to establish both the group's payment behavior and the recovery of delinquent loans using technically-backed estimates and conservative criteria and, consequently, to establish the provisions necessary to cover portfolio risk.

Banks can use alternative methods for determining the provisions for retail loans evaluated as a group.

Under the first method, experience is relied on to explain the payment behavior of each homogeneous group of debtors and of recoveries through collecting guarantees and recovery actions, to estimate directly a percentage of expected losses to be applied to the amount of credits of the respective group.

Under the second, banks segment debtors into homogeneous groups, as indicated above, associating to each one a certain probability of default and a percentage of recovery based on a justified historical analysis. Provisions are calculated by multiplying the amount of the respective group's total credits by the estimated percentages of default and of loss given default.

Under both methods, estimated losses should reflect the type of portfolio and the term of the transactions.

The Bank has chosen the second method for calculating its provisions.

In the case of consumer loans, guarantees are not considered for the purpose of estimating the expected loss.

The Bank should distinguish between provisions for the normal portfolio and for the default portfolio, and which cover the risks of the contingent credits associated with those portfolios.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(v.ii) Provisions by group evaluation (continued)

(v.ii.1) Standard method for group portfolio provisions

The standard methods presented below establish the variables and parameters that determine the provisioning factor for each portfolio that the CMF has defined as representative, according to the common characteristics shared by their transactions.

- Residential mortgage portfolio

The applicable provision factor, represented by the expected loss over the amount of residential mortgage loans, will depend on the delinquency of each loan and the ratio, at each month end, between the outstanding principal on each loan and the value of the collateral (LTV) guaranteeing the loan, as indicated in the following table:

Provisioning factor according to delinquency status and LTV						
LTV Range	Description	Days past due at month end				Default portfolio
		0	1-29	30-59	60-89	
LTV ≤ 40%	PD (%)	1.0916	21.3407	46.0536	75.1614	100.0000
	LGD (%)	0.0225	0.0441	0.0482	0.0482	0.0537
	EL (%)	0.0002	0.0094	0.0222	0.0362	0.0537
40% < LTV ≤ 80%	PD (%)	1.9158	27.4332	52.0824	78.9511	100.0000
	LGD (%)	2.1955	2.8233	2.9192	2.9192	3.0413
	EL (%)	0.0421	0.7745	1.5204	2.3047	3.0413
80% < LTV ≤ 90%	PD (%)	2.5150	27.9300	52.5800	79.6952	100.0000
	LGD (%)	21.5527	21.6600	21.9200	22.1331	22.2310
	EL (%)	0.5421	6.0496	11.5255	17.6390	22.2310
LVG > 90%	PD (%)	2.7400	28.4300	53.0800	80.3677	100.0000
	LGD (%)	27.2000	29.0300	29.5900	30.1558	30.2436
	EL (%)	0.7453	8.2532	15.7064	24.2355	30.2436

Where:

PD = Probability of default

LGD = Loss given default

EL = Expected loss

LTV = Loan to value ratio (Outstanding loan principal / Value of the mortgage guarantee)

- Commercial portfolio

The Bank calculates the provisions on the commercial portfolio using the standard methods applicable to commercial leases or other commercial lending as described below. Subsequently, the appropriate provisioning factor will be assigned based on the parameters for each method.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(v.ii) Provisions by group evaluation (continued)

(v) Commercial lease transactions

The provision factor should be applied to the present value of the commercial lease transactions, including the purchase option, and will depend on the days past due for each transaction, the asset being leased and the relationship between the present value of each transaction at each month end and the value of the leased asset (LTV), described as follows.

Probability of Default (PD) according to days past due and asset (%)		
Days past due at month end	Asset	
	Real estate	Non-real estate
0	0.79	1.61
1-29	7.94	12.02
30-59	28.76	40.88
60-89	58.76	69.38
Default portfolio	100.00	100.00

Loss Given Default (LGD) applicable by LTV band and asset type (%)		
LTV = Present transaction value / Leased asset value		
LTV range	Real estate	Non-real estate
LTV ≤ 40%	0.05	18.2
40% < LTV ≤ 50%	0.05	57.00
50% < LTV ≤ 80%	5.10	68.40
80% < LTV ≤ 90%	23.20	75.10
LTV > 90%	36.20	78.90

The LTV ratio will be calculated using the appraisal value expressed in UF for real estate and in Chilean pesos for non-real estate, recognized at the time the loan is granted, after taking into account any potential situation that may cause a temporary increase in the asset value at that time.

(vi) Generic commercial loans and factoring

The provision factor applied to the loan and the contingent loan exposure (as indicated in number 3 of Chapter B-3 of the CNCB) for factored invoices and other commercial loans, other than those indicated above, will depend on each transaction's days past due and the relationship at each month end between the debtor's obligations to the Bank and the value of the collateral that protects them (LTV), as indicated in the following tables.

Probability of Default (PD) according to days past due and LTV range (%)			
Days past due at month end	With guarantee		Without guarantee
	LTV ≤ 100%	LTV > 100%	
0	1.86	2.68	4.91
1-29	11.60	13.45	22.93
30-59	25.33	26.92	45.30
60-89	41.31	41.31	61.63
Default portfolio	100.00	100.00	100.00

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(v.ii) Provisions by group evaluation (continued)

(b) Generic commercial loans and factoring (continued)

Loss Given Default (LGD) applicable by LTV band (%)			
Guarantees (with/without)	LTV range	Generic commercial loans or factoring without recourse to the transferor	Factoring with recourse to the transferor
With guarantee	LTV ≤ 60%	5.0	3.2
	60% < LTV ≤ 75%	20.3	12.8
	75% < LTV ≤ 90%	32.2	20.3
	90% < LTV	43.0	27.1
Unsecured		56.9	35.9

The guarantees used to calculate the LTV ratio for this method may be specific or general, including those that are simultaneously specific and general. A guarantee can only be considered if the bank has first priority and it only guarantees a specific debtor's loans, not shared with other debtors, according to the respective contract clauses.

Invoices assigned under factoring will not be considered for the purposes of calculating the LTV. Excess guarantees are associated with the residential mortgage loans referred to in numeral 3.1.1 Residential mortgage portfolio of Chapter B-1 of the CNCB, calculated as the difference between 80% of the commercial value of the house, in accordance with the conditions established therein, and the residential mortgage loan it guarantees.

The LTV ratio is calculated as follows.

- i. Transactions with specific guarantees: when the debtor has granted specific guarantees for generic commercial loans and factored invoices, the LTV ratio is calculated independently for each guaranteed transaction, and separates the loan value, the contingent loan exposure and the collateral value.
- ii. Transactions with general guarantees: when the debtor has granted general or general and specific guarantees, the Bank calculates the LTV jointly for all generic commercial loans, factored invoices and anything not included in point i) above, and separates the loan value, the contingent loan exposure and the general or general and specific guarantees that protect the loans included in the numerator of this ratio, according to the scope of the remaining contract clauses.

The guarantees used in the LTV ratio in items i) and ii), other than those associated with excess guarantees from housing loans referred to in the residential mortgage portfolio, must be calculated according to:

- The latest appraisal or fair value guarantee valuation, depending on the collateral. The criteria in Chapter 7-12 (Fair Value of Financial Instruments) of the Updated Compilation of Standards should be used to calculate fair value.
- Potential situations that could cause temporary increases in guarantee values.
- Limitations to the coverage in their respective clauses.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(v.ii) Provisions by group evaluation (continued)

(v.ii.2) Default portfolio

The default portfolio includes all loans and 100% of contingent loans of debtors with interest or principal payments more than 90 days past due as of month end. It also includes debtors to which loans were made to cover other loans more than 60 days past due, as well as debtors that have undergone forced restructuring or received partial debt relief.

The following may be excluded from the default portfolio: a) residential mortgage loans that are less than 90 days past due unless the debtor has another loan of the same type that is more days past due and b) student loans (Law 20,027) that do not yet present the default conditions contained in Ruling 3,454 dated December 10, 2008.

All of the debtor's loans shall remain in the impaired portfolio until payment capacity or behavior has returned to normal. However, the Bank will continue to write off individual loans that comply with the conditions in Title II of Chapter B-2 of the Compendium of Accounting Standards. In order to remove a debtor from the default portfolio, once the circumstances that led it to be classified as such according to these rules no longer exist, at least the following copulative conditions must be met:

- The debtor has no obligation to the Bank that is more than 30 calendar days past due.
- The debtor has not been granted any new refinancing to pay its obligations.
- At least one payment includes a principal installment. This condition does not apply in the case of debtors who only have loans to finance tertiary education in accordance with Law 20.027.
- If the debtor has any loan with partial payments within a period of less than six months, has already made two payments.
- If the debtor must pay monthly installments for one or more loans, it has paid four consecutive installments.
- The debtor does not have any direct outstanding debt in the information disclosed by the CMF, except for insignificant amounts.

(v.iii) Provisions related to FOGAPE-guaranteed COVID-19 loans

On July 17, 2020, the CMF requested specific provisions for loans with the FOGAPE COVID-19 guarantee. Their expected losses must be calculated by estimating the risk of each transaction, without considering the substitution of the credit quality of the guarantee, according to the individual or group analysis method, in accordance with the provisions of Chapter B-1 of the CNCB. This procedure must be performed on an aggregate basis, grouping together all those transactions to which the same deductible percentage is applicable.

The deductible will be applied by the Fund Manager, which must be borne by each financial institution and does not depend on each particular transaction, but is based on the total balances guaranteed by the Fund, for each group of companies having the same coverage, according to their net sales size.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(v.iv) Provisions related to FOGAPE-guaranteed reactivation loans

The Bank determines the provisions for FOGAPE-guaranteed reactivation loans by substituting the debtors' credit quality with that of FOGAPE for all these loans, up to the amount covered by this guarantee. Naturally, the option to attribute the risk to FOGAPE can happen while the guarantee remains in force, without considering the capitalized interest, as provided in Article 17 of the Fund's Regulations.

Likewise, provisions on the loans not covered by this guarantee must be differentiated by the degree of delinquency of the refinanced loan and the grace period, which must consider the cumulative consecutive grace periods between the refinanced loan and other previous measures.

Therefore, the following situations should be taken into consideration:

- Refinancing with arrears less than 60 days and grace periods of less than 180 days.

When the Bank refinances a loan and is the lender, the calculation of arrears and expected loss parameters remain constant when the loan is refinanced depending on whether the standard or internal method is used for the group portfolio, as long as payment is not due.

The risk category of debtors evaluated on an individual basis is maintained at refinancing, which does not prevent them from being reclassified to a different category if their payment capacity deteriorates.

- Refinancing with arrears between 60 and 89 days or grace periods greater than 180 days and less than 360 days.

The provisions described in the preceding paragraph apply, and at least one of the following conditions must also be met:

i) The Bank's lending policies consider at least the following aspects:

- a) A robust procedure to classify viable debtors, which includes at least the sector and its liquidity situation.
- b) Efficient mechanisms for monitoring the debtor's situation, with formally defined internal governance.

ii) Interest is charged during the grace months, in accordance with the guidelines in Article 15(a) of the Regulations, or there is a payment demand on another loan with the bank. If the debtor in the latter case does not comply, the carry forward rules in paragraphs 2.2 and 3.2 of Chapter B-1 of the CNCB apply, depending on whether the loan is subject to individual or group evaluation, respectively.

- Refinancing with grace periods of more than 360 days.

The bank must apply the provisions in Chapter B-1 of the CNCB, and treat the transaction as a forced renegotiation. Therefore, it must apply the provisions corresponding to the non-performing portfolio.

(vi) Write-offs

As a general rule, write-offs are made when the contractual rights to the cash flows expire. The respective asset balances are written off in the case of loans, even when this does not occur.

Write-offs refer to the deduction of the asset corresponding to the respective transaction in the consolidated statement of financial position, including that part that might not yet be due in the case of a loan with partial repayments, or a lease transaction.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(vi) Write-offs (continued)

(vi.i) Write-off of loans and receivables

Write-offs should always use the provision for credit risk whatever the reason for the write-off.

Loans and receivables other than lease transactions should be written-off in the following circumstances, whichever occurs first:

- (a) The Bank concludes that it will obtain no cash flow from the asset, based on all available information.
- (b) When a credit without enforceable title passes more than 90 days recognized as an asset.
- (c) When the period of limitations of actions expires through the statute of limitations for demanding recovery by executive judgment or when the enforcement of the title by court resolution is rejected or abandoned.
- (d) When the period of default of transactions reaches the term for write-off as follows.

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

The term represents the time elapsed since the date on which payment of all or part of the obligation in default became due.

(vi.ii) Write-off of lease transactions

Assets relating to leasing transactions should be written off in the following circumstances, whichever occurs first:

- (a) The Bank concludes that there is no possibility of recovery of the lease income and that the value of the asset cannot be considered for the recovery of the contract, whether because it is not in the possession of the lessee, due to its present condition, because of the expenses involved in its recovery, transfer and maintenance, due to technological obsolescence or there is no information about its present whereabouts or condition.
- (b) When actions expire through the statute of limitations for demanding recovery by executive judgment or when the enforcement of the title by court resolution is rejected or abandoned.
- (c) When the period of default of a contract reaches the term for write-off according to the following:

Contract description	Term
Consumer lease	6 months
Other non-real estate leasing transactions	12 months
Property leasing (commercial or residential)	36 months

The term relates to the time since the due date of payment of a lease installment in default.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.5) Financial assets at amortized cost (continued)

Customer loans and receivables (continued)

(vi.iii) Recovery of written-off loans

Subsequent payments received with respect to written-off loans are shown directly as income in the consolidated income statement under “Recovery of loans written-off”.

In the event of the recovery of assets, this income will be recognized in the income statement at the value it is incorporated into assets. The same criterion follows if the assets leased are recovered after the write-off of a lease operation, by their incorporation into assets.

Any restructuring of a written-off loan does not generate income while the transaction continues in a state of default, treating the effective payments received as recoveries of written-off loans, as indicated above.

A restructured loan can only therefore be returned to assets if it ceases to be impaired, recognizing also the return to assets as a recovery of written-off loans.

The same approach should be followed in the event that a loan is granted to pay a written-off loan.

(ff1.6) Impairment losses on financial assets at amortized cost and financial assets at fair value through other comprehensive income (FVTOCI):

The asset impairment model in IFRS 9 will not apply to loans to banks and customer loans and receivables classified as “Financial assets at amortized cost” nor “Contingent loans”, in accordance with Chapter A-2 of the CNCB of the CMF, since the criteria for these instruments are defined in Chapters B-1 to B-3 of the CNCB.

Impairment losses on the remaining financial assets valued at amortized cost or at FVTOCI must be calculated using an Expected Loss (EL) model as established in IFRS 9.

Debt financial instruments that are subsequently valued at amortized cost or at FVTOCI will be tested for loan loss impairment. However, instruments valued at fair value through profit or loss do not require this measurement.

Impairment is measured using a general impairment model based on three potential phases of the financial asset, whether there is a significant increase in credit risk and the impairment condition. The three phases determine the impairment loss to be recognized as the expected loan loss, similarly to the interest income as of each reporting date. Each phase is described below:

(1) Phase 1:

- (a) Financial assets whose credit risk has not increased significantly since initial recognition.
- (b) Expected losses for credit risk are recognized for 12 months.
- (c) Interest is recognized on the gross amount on the consolidated statement of financial position.

(2) Phase 2:

- (a) Financial assets whose credit risk has increased significantly since initial recognition.
- (b) Expected losses for credit risk are recognized over the life of the financial asset.
- (c) Interest is recognized on the gross amount on the consolidated statement of financial position.

(3) Phase 3:

- (a) Impaired financial assets.
- (b) Expected losses for credit risk are recognized over the life of the financial asset.
- (c) Interest is recognized on a net basis, which is the gross amount less provisions for credit risk.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff1) Financial assets (continued)

(ff1.7) Impairment of financial assets valued at fair value through other comprehensive income

The Bank applies the impairment requirements when measuring and recognizing an impairment loss on financial assets measured at fair value through other comprehensive income in accordance with IFRS 9. This impairment loss is recognized in OCI and does not reduce the book value of the financial asset in the consolidated statement of financial position. The cumulative loss recognized in OCI is recycled to the consolidated income statement when the financial asset is derecognized.

(ff2) Financial liabilities

(ff2.1) Classification of financial liabilities

Financial liabilities are classified as follows:

- Financial liabilities at amortized cost.
- Financial liabilities for trading at fair value through profit and loss. These are financial instruments that the Bank aims to buy and sell to make gains. They include financial derivative trading contracts that are liabilities, which are subsequently valued at fair value.
- Financial liabilities designated at fair value through profit and loss: The Bank can irrevocably designate a financial liability at fair value through profit or loss at initial recognition, if this criterion eliminates or significantly reduces inconsistencies in valuation or recognition, or if it is a group of financial liabilities, or a group of financial assets and liabilities, that is managed and evaluated on a fair value basis within a risk management or investment strategy.

(ff2.2) Financial liability valuation

Initial recognition

Financial liabilities are initially recorded at fair value less any transaction costs that are directly attributable to issuing those instruments, except for financial instruments that are classified at fair value through profit or loss.

Changes in the value of financial liabilities due to the accrual of interest, indexation and similar items are recorded under "Interest expense" in the consolidated income statement for the respective period (see Note 40.27).

Subsequent valuation

Changes in valuations occurring after initial recognition for any other reason are treated as follows, depending on the financial liability classification.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff2) Financial liabilities (continued)

(ff2.3) Financial assets at amortized cost

These liabilities are valued at amortized cost after their acquisition, which is calculated using the effective interest rate method (EIR).

(ff2.4) Financial liabilities for trading and financial liabilities designated at fair value through profit and loss

These liabilities are valued at fair value after their acquisition and any changes are classified at net value in "Financial assets and liabilities held for trading" and "Financial assets and liabilities designated at fair value through profit or loss" in the consolidated income statement. However, any changes in credit risk for liabilities designated at fair value are presented in other comprehensive income. However, exchange differences are recorded in "Exchange, indexation and accounting hedging of foreign currency" in the consolidated income statement.

(ff2.5) Derecognition of financial assets and liabilities

The Bank and its subsidiaries derecognize financial assets from their statements of financial position when the contractual rights expire over the cash flows of the financial asset, or when they transfer the rights to receive contractual cash flows from the financial asset in a transaction in which the risks and benefits of ownership of the financial asset are substantially transferred. Each interest in financial assets transferred that is created or retained by the Bank is recognized as a separate asset or liability.

When the Bank transfers a financial asset, it assesses to what extent it has retained the risks and rewards of ownership. In this case:

- (a) If the risks and rewards inherent in ownership of the financial asset are substantially transferred, it is de-recognized and any rights and obligations created or retained in the transfer will be shown separately, as assets or liabilities.
- (b) If the risks and rewards inherent in ownership of a financial asset are substantially retained, it will continue to recognize it.
- (c) If all the risks and rewards inherent in ownership of a financial asset are not substantially transferred or retained, it will determine whether control over the financial assets has been retained. In this case:
 - (i) If the Bank has not retained control, the financial asset will be derecognized and any rights or obligations created or retained upon transfer will be recognized separately as assets or liabilities.
 - (ii) If the Bank has retained control, the financial asset will continue to be recognized in the statement of financial position for an amount equal to its exposure to changes that a financial liability may experience and recognize a financial liability associated with the financial asset transferred.

The Bank derecognizes a financial liability (or part thereof) from its consolidated statement of financial position when it has been extinguished, whereby the obligation specified in the corresponding contract has been paid, canceled, or expired.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(ff2) Financial liabilities (continued)

(ff2.2) Financial liability valuation (continued)

(ff3) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, the Bank has the legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize an asset and settle the liability simultaneously.

Revenue and expenses are shown net only when permitted by accounting principles, or in the case of gains and losses arising from a group of similar transactions such as the Bank's trading and exchange activities.

(gg) Functional currency

The items included in the consolidated financial statements of Banco de Chile and its subsidiaries are valued using the currency of the principal economic environment in which the entity operates (the functional currency). The functional and presentational currency of these consolidated financial statements of Banco de Chile is the Chilean peso, which is the currency of the primary economic environment in which the Bank operates, and is also the currency that influences the costs and revenue structure.

(hh) Foreign currency transactions

Transactions in a currency other than the functional currency are considered to be in foreign currency and are initially recognized at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate of the functional currency on the date of the statement of financial position. All differences are recognized as a charge or credit to the income statement.

As of December 31, 2022 and 2021, the Bank and its subsidiaries applied the accounting representation exchange rate according to CMF instructions, so assets in US dollars are shown at their equivalent value in Chilean pesos calculated at the market exchange rate of Ch\$ 850.20 per US\$1 (Ch\$ 852.63 per US\$1 as of December 31, 2021).

The balance of ThCh\$ 103,200,159 is the net financial gain from foreign currency hedges, exchange differences and indexation (net financial loss of ThCh\$ 35,330,448 as of December 31, 2021) in the consolidated income statement. It includes the net financial gain from foreign currency hedges, exchange differences and indexation, and includes the translation of assets and liabilities in foreign currencies or indexed at their exchange rate.

(ii) Operating segments

The Bank discloses segment information in accordance with IFRS 8. The operating segments of the Bank are based on its business units and these are defined as follows.

- (i) Business transactions that generate revenue and expenses (including revenue and expenses from transactions with other components of the same entity).
- (ii) Whose operating results are reviewed regularly by senior decision makers, in order to assign resources to segments and evaluate their performance.
- (iii) Differentiated financial information for each segment is available.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(jj) Statement of cash flows

The consolidated cash flow statement indicates changes in cash and cash equivalents arising from operating activities, investing activities and financing activities during the period. The indirect method has been used to prepare the statement of cash flows.

The following concepts have been used in preparing the statement of cash flows.

- (i) Cash and cash equivalents: these are cash and due from banks, and net transactions pending settlement in the consolidated statement of financial position, plus other cash equivalents, such as investments in short-term debt financial instruments, that meet the cash equivalent criteria. These are instruments with an original maturity of less than 90 days from their acquisition date, that are highly liquid and readily convertible to amounts fixed at their acquisition date, and that are exposed to an insignificant risk of changes in value.
- (ii) Operating activities: the Bank's normal activities and others that cannot be qualified as investing or financing activities.
- (iii) Investing activities: the acquisition and disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- (iv) Financing activities: activities that produce changes in the size and composition of equity and liabilities that do not form part of operating or investing activities.

(kk) Financial derivative contracts

A "financial derivative" is a financial instrument whose value changes in response to changes in an observable market variable (such as an interest rate, exchange rate, the price of a financial instrument or a market index, including credit ratings), whose initial investment is very small relative to other financial instruments with a similar response to changes in market conditions and which is generally settled at a future date.

The Bank has financial derivative contracts to hedge its exposure to currency and interest-rate risks. These are initially recognized in the statement of financial position at cost (including transaction costs) and later at their fair value. Derivative contracts are reported as an asset when their fair value is positive and as a liability when it is negative, under the heading "Financial derivative contracts".

Changes in fair value of derivative contracts held for trading purposes are included under "Financial assets and liabilities held for trading" in the consolidated income statement.

In addition, the Bank includes in the valuation of derivatives the "Credit valuation adjustment (CVA)" to reflect the counterparty risk in the determination of fair value, and the Bank's own credit risk, known as "Debit valuation adjustment (DVA)".

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related with those of the host contract and when such host contracts are not measured at fair value through profit or loss.

(ll) Financial derivative contracts for hedging purposes

The Bank has applied the hedge accounting requirements of IAS 39 upon adoption of IFRS 9.

At inception, a derivative contract must be designated by the Bank as a derivative instrument for trading or hedging purposes.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(ll) Financial derivative contracts for hedging purposes (continued)

If a derivative instrument is classified as a hedging instrument, it can be:

- (1) A hedge of the fair value of assets or liabilities or firm commitments, or
- (2) A cash-flow hedge related to existing assets or liabilities or expected transactions.

A hedge relationship for hedge accounting purposes must comply with all of the following conditions:

- (a) At its inception, the hedge relationship has been formally documented;
- (b) It is expected that the hedge will be highly effective;
- (c) The effectiveness of the hedge can be measured in a reasonable manner; and
- (d) The hedge is highly effective with respect to the hedged risk on an ongoing basis and throughout the entire hedge relationship.

The Bank shows and values individual hedges (in which there is a specific relationship between hedged items and the hedging instruments) according to their classification, using the following criteria.

Fair value hedge: Changes in the fair value of a derivative hedge instrument, designated as a fair value hedge, are recognized in income under the line "Net interest income" or "Net indexation income" or "Exchange, indexation and accounting hedging of foreign currency," depending on the risk hedged. The item hedged is also shown at fair value in relation to the risk being hedged. Gains or losses attributable to the risk hedged are recognized in income under the line "Net interest income" or "Net indexation income" and change the book value of the item hedged.

Cash flow hedge: Changes in the fair value of a hedge instrument, designated as a cash-flow hedge, are recognized in "Cash flow hedges" in the consolidated statement of other comprehensive income, provided the hedge is effective and is reclassified to income under the line "Net interest income" or "Net indexation income" or "Exchange, indexation and accounting hedging of foreign currency" when the item hedged affects the Bank's income statement as a result of "interest rate risk" or "exchange rate risk" respectively. If the hedge is not effective, then changes in fair value are recognized directly in the income statement for the year under "Other financial income/expense".

If the hedging instrument no longer meets the criteria for cash flow hedge accounting, or it has expired, or been sold, suspended or executed, the hedge is discontinued prospectively. Gains or losses previously recognized in equity remain there until the forecast transactions occur, when they are recognized in the consolidated income statement under "Net interest income" or "Net indexation income" or "Exchange, indexation and accounting hedging of foreign currency," depending on the risk hedged. Unless it is forecast that the transaction is not going to be carried out, in which case they are immediately recognized in the consolidated income statement under "Net interest income" or "Net indexation income" or "Exchange, indexation and accounting hedging of foreign currency," depending on the risk hedged.

(mm) Intangible assets

Intangible assets are identified as non-monetary assets (separate from other assets) without physical substance that arise as a result of a legal transaction or are developed internally by the consolidated entities. They are assets whose cost can be estimated reliably and for which the entities consider it probable that future economic benefits will accrue to the Bank or its subsidiaries. Intangible assets are recognized initially at acquisition cost and are subsequently measured at their cost less any accumulated amortization or any accumulated impairment.

Software or computer programs acquired by the Bank and its subsidiaries are recognized at cost less accumulated amortization and the accumulated losses for impairment.

Subsequent expenses in programs are capitalized only when the future economic benefits integrated in the specific related asset increase. All other expenses are recorded as an expense as incurred.

Amortization is recorded in income using the straight-line amortization method based on the estimated useful life of the software, from the date on which it is available for use. The estimated useful life of software is a maximum of 6 years.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(nn) Property, plant and equipment

Property, plant and equipment includes the amount of land, properties, movable assets, vehicles, computer equipment and other installations owned by the consolidated entities and are used in the entity's business. These assets are valued at their historic cost less the corresponding accumulated depreciation and impairments. This cost includes expenses that have been directly attributed to the asset's acquisition.

Depreciation is booked in the consolidated income statement on the basis of the straight-line method over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated average useful lives for 2022 and 2021 are:

- Buildings 50 years
- Facilities 10 years
- Equipment 5 years
- Furniture 5 years

Conservation and maintenance expenses of the assets of own use are charged to the income of the year in which they are incurred.

(oo) Current and deferred taxes

The income tax provision for the Bank and its subsidiaries has been calculated in accordance with the law.

The Bank and its subsidiaries recognize, when appropriate, deferred tax assets and liabilities for the future estimate of the tax effects attributable to timing differences between the book values of assets and liabilities and their values for tax purposes. Deferred tax assets and liabilities are measured on the basis of the tax rate which, under current taxation law, should be applied in the year in which deferred tax liabilities are settled. The future effects of changes in tax law or taxation rates are booked in deferred taxes from the date on which the law approving these changes is published.

Deferred tax assets are recognized only when it is likely that future tax profits will be sufficient to recover deductions for temporary differences. Deferred taxes are presented in the consolidated statement of financial position in accordance with IAS 12 "Income Taxes" as instructed by the CMF.

(pp) Assets received in lieu of payment

Assets received or awarded in lieu of payment of customer loans and receivables are recognized, in the case of payments in kind, at the price agreed between the parties or, where no such agreement exists, for the amount that the Bank is awarded them at a court auction.

Assets received in lieu of payment are classified in "Non-current assets or asset groups held for sale" and recognized at the lower of adjudication cost and fair value less regulatory write offs and are shown net of provisions. The CMF requires a write off if the asset is not sold within one year of its reception.

(qq) Investment properties

Investment properties are real estate assets held to earn rental income or for capital appreciation or both, but are not held for sale in the ordinary course of business or used for administrative purposes. Investment properties are valued at cost less the corresponding accumulated depreciation and impairments and are shown in Other assets.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(rr) Provisions, contingent assets and liabilities

Provisions are liabilities involving uncertainty about their amount or maturity. They are recorded in the Consolidated Statements of Financial Position when the following copulative requirements are met:

- (i) it is a current obligation as a result of past events,
- (ii) as of the date of the financial statements it is probable that the Bank or its subsidiaries will have to expend resources to settle the obligation,
- (iii) the amount of these resources can be reliably measured.

A contingent asset or liability is a right or obligation from past events whose existence will only be confirmed if one or more uncertain future events occur and which are outside the control of the Bank.

Contingent loans are transactions or commitments in which the Bank assumes a credit risk by committing to make a payment or disbursement, upon occurrence of a future event, to third parties that must be recovered from its customers.

The following are classified as contingent loans in complementary information:

- (i) Unrestricted lines of credit: These are undrawn lines of credit that customers may use without prior approval by the Bank.
- (ii) Unrestricted lines of credit with immediate cancellation: These are unrestricted lines of credit as previously defined that the bank may unconditionally cancel at any time and without prior notice, or where automatic cancellation may happen if the debtor's solvency deteriorates, as permitted by law and the contracts between the parties.
- (iii) Contingent loans linked to the CAE: These are loan commitments granted in accordance with Law 20,027 (CAE).
- (iv) Letters of credit for the movement of goods: These issuing and confirming bank commitments arise from self-liquidating commercial letters of credit with a maturity period of less than 1 year, on the movement of goods, such as confirmed documentary or foreign letters of credit. This includes documentary letters of credit issued by the Bank that have not yet been negotiated.
- (v) Local currency debt purchase commitments abroad: These are Note Issuance Facilities (NIF) and Revolving Underwriting Facilities (RUF).
- (vi) Transactions related to contingent events: These are performance and bid bonds with promissory notes referred to in Chapter 8-11 of the Updated Compilation of Regulations.
- (vii) Guarantees: These are co-debtors, guarantors and standby letters of credit referred to in Chapter 8-10 of the Updated Compilation of Regulations. They include payment guarantees for buyers in factoring transactions, as indicated in Chapters 8-38 of the Updated Compilation of Regulations.
- (viii) Other loan commitments: These are undrawn amounts under committed loans that have to be disbursed at an agreed future date or on the occurrence of events previously contracted with the customer, such as irrevocable credit lines linked to the progress of projects, where provisions should include both the gross exposure referred to in No. 3 and future increases in the collateral associated with committed disbursements.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(rr) Provisions, contingent assets and liabilities (continued)

Credit risk exposure on contingent liabilities:

Provisions for contingent liabilities are based on the following contingent liability percentages until December 31, 2021, as indicated in Chapter B-3 of the Compendium of Accounting Standards for Banks issued by the CMF.

Contingent liability	Exposure
a) Co-debtors and guarantees	100%
b) Confirmed foreign letters of credit	20%
c) Opened documentary letters of credit	20%
d) Performance bonds	50%
e) Unrestricted lines of credit	35%
f) Other loan commitments:	
- Higher education loans under Law 20,027	15%
- Other	100%
g) Other contingent loans	100%

Provisions for contingent liabilities are based on the following contingent liability percentages with effect from January 1, 2022:

Contingent liability	Loan conversion factor
Unrestricted lines of credit with immediate cancellation	10%
Contingent loans linked to the CAE	15%
Letters of credit for the movement of goods	20%
Other unrestricted lines of credit	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, with respect to transactions with customers that have past due loans as indicated in Chapter B-1 of the CMF Compendium of Accounting Standards, this exposure will always be the equivalent of 100% of the contingent liabilities.

(ss) Minimum dividend provision

In accordance with the CMF Compendium of Accounting Standards, the Bank shows in liabilities the part of net income for the year to be distributed in compliance with the Corporations Law, its bylaws, agreements or dividend policies. A provision is therefore made against a complementary equity account of retained earnings.

The provision for minimum dividends is calculated using the distributable net income. According to the Bank's bylaws, this is calculated by deducting from or adding to net income the indexation adjustment on share capital and reserves due to changes in the consumer price index.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(tt) Employee benefits

Employee benefits are all the benefits granted by an entity in exchange for services rendered by employees or for severance payments.

Short-term employee benefits other than termination benefits are those expected to be fully settled within 12 months of the reporting period when the employees rendered the related services.

(i) Employee vacations

The annual cost of employee vacations and benefits is recorded on an accrual basis.

(ii) Other short-term benefits

The entity offers its employees an annual incentive plan for compliance with objectives and individual contribution to results, consisting of a certain number or portion of monthly salaries, and the provision is the estimated payment.

Other long-term employee benefits exclude short-term employee benefits, post-employment benefits and termination benefits.

(iii) Employee termination benefits

The Bank has agreed that some employees will receive an indemnity if they have completed 30 or 35 years of service when they retire from the institution. This obligation includes the accrued proportional part for those employees who will be able to exercise the right to this benefit and who have still not acquired it at the end of the year.

The obligations under this benefits plan are valued according to the projected credit-unit method, including as variables the employee turnover rate, expected salary growth, and the probability this benefit will be paid, discounted at the current rate for long-term transactions of 5.50% as of December 31, 2022 and 5.70% as of December 31, 2021.

The discount rate used is the Chilean Central Bank 10-year bond rate in Chilean pesos (BCP).

Actuarial gains and losses resulting from actuarial changes are recognized in Other comprehensive income. There are no other additional costs that should be recognized by the Bank.

(uu) Earnings per share

Actuarial gains and losses resulting from actuarial changes are recognized in Other comprehensive income. There are no other additional costs that should be recognized by the Bank.

Earnings per share:

Basic earnings per share is determined by dividing net income (loss) for the year attributable to the Bank's owners by the average weighted number of shares in circulation during that year.

Diluted earnings per share is determined in a similar manner as basic earnings per share, but the average weighted number of shares in circulation is adjusted to account for the dilutive effect of stock options, warrants and convertible debt. As of December 31, 2021 and 2021, there were no such adjustments.

(vv) Interest and indexation income and expense

Interest and indexation income and expenses are recognized in the consolidated income statement using the effective interest method. The effective interest rate is the discount rate that exactly equates the estimated cash inflows and outflows over the expected life of the financial instrument (or, when appropriate, in a shorter period) with the net book value of the financial asset or liability. To calculate the effective interest rate, the Bank determines cash flows by taking into account all contractual conditions of the financial instrument, excluding future credit losses.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(vv) Interest and indexation income and expenses (continued)

The calculation of the effective interest rate includes all the commissions and other concepts paid or received that form part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the purchase or issuance of a financial asset or liability.

A prudent approach has been adopted to suspend the accrual of interest and indexation in the consolidated income statement on customer loans and receivables in the impaired portfolio and the current portfolio with a high risk of non-payment when the loan or one of its installments is 90 days overdue.

(ww) Fee income and expenses

Fee income and expenses are recognized in the consolidated income statement using the criteria set out in IFRS 15 "Revenue from contracts with customers."

Under IFRS 15 revenue is recognized in accordance with the terms of customer contracts. Revenue is recognized as its meets the performance obligations by transferring goods or services committed to the customer.

Under IFRS 15 revenue is recognized using various criteria depending on its nature. The most significant criteria are:

- Fees earned from an individual event are recognized once the event has taken place.
- Fees that arise from transactions or services that are extended over time, during the life of such transactions or services.
- Fees on commitments and other fees related to loan transactions are deferred (together with the incremental costs related directly to the placement) and recognized as an adjustment to the effective interest rate of the placement. In the case of loan commitments, when there is uncertainty about the date of effective placement, the fees are recognized in the year of the commitment originating them on a straight-line basis.

Fee income recognized by the Bank is primarily:

- Fees for loan prepayments: Accrued fees when loans are prepaid.
- Fees for lines of credit and overdrafts: Accrued fees during the period the credit lines and overdrafts were available.
- Fees for guarantees and letters of credit: Accrued fees during the period the bank granted payment guarantees for third party real or contingent obligations.
- Fees for card services: Accrued fees for the period that the credit cards, debit cards and other cards were used.
- Fees for account management: For checking account and deposit account maintenance.
- Fees on collections and payments: For collection and payment services provided by the Bank.
- Fees for brokerage and securities management: For securities brokerage, placement, management and custody services.
- Fees for managing mutual funds, investment funds or others: From the General Fund Manager for managing third party funds.
- Fees for insurance brokerage and advisory services: For insurance brokerage and advisory services provided by the Bank or its subsidiaries.
- Fees for factoring services: For factoring services provided by the Bank.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(ww) Fee income and expenses (continued)

- Fees for financial lease services: For financial lease services provided by the Bank as lessor.
- Fees for financial advisory services: For financial advisory services provided by the Bank and its subsidiary.
- Other fees: For foreign currency exchange services, issuing performance guarantees, issuing bank checks, distribution channel use, brand use, placement of financial products, cash transfers, recognition of payments associated with strategic alliances, and other fees.

Fee expenses include:

- Card transaction fees: For operating credit and debit cards.
- License fees for using card brands:
- For customer loyalty obligations and card-based programs
- Fees for securities transactions: For securities deposit, custody and brokerage.
- Other fees for services received: For guaranteeing and endorsing the Bank's obligations, foreign trade transactions, domestic and foreign correspondent banks, ATMs and electronic funds transfer services.
- Fees for clearing high value payments: For payments to entities such as ComBanc, CCLV Central Counterparty, etc.

(xx) Impairment of non-financial assets

The book value of the non-financial assets of the Bank and its subsidiaries is revised throughout the year and fundamentally on the date of its closing to determine whether there are indications of impairment. If there are, then the recoverable amount from the assets is estimated.

Losses for impairment recognized in previous years are evaluated on each reporting date to detect any indication that the loss has diminished or disappeared. An impairment loss is reversed if there has been a change in the estimations used to determine the recoverable amount. Provided the reversal does not exceed the book value. Impairment losses related to goodwill cannot be reversed in future years.

The Bank evaluates whether there are indications that an asset might be impaired at each reporting date and continually. If there are, the Bank estimates the recoverable amount from the asset. The recoverable amount of an asset is the difference between the fair value less the costs of sale and the value of the asset in use. When the book value of the asset exceeds the recoverable amount, the asset is considered to be impaired and the difference between both values is written off to reflect the asset at its recoverable value. In evaluating the value in use, the estimated cash flows are discounted to their present value, using a discount rate that reflects current conditions in the money market at the time and the specific risks of the asset. An appropriate evaluation model is used to determine the fair value less the cost of sale. These calculations are checked against multiple valuations, share prices and other indicators of fair value.

(yy) Financial and operating leases

(yy.1) The Bank as lessor

Assets leased to customers under contracts that substantially transfer all the risks and property recognitions, with or without legal title, are classified as finance leases. When the assets retained are subject to a finance lease, the assets leased cease to be accounted for and a receivable is recognized, equal to the minimum amount of the lease payment, after discounting the lease's interest rate. The initial negotiation expenses in a finance lease are incorporated in the receivable through the discount rate applied to the lease. Lease revenue is recognized on lease terms based on a model that constantly reflects a periodic rate of return on the net lease investment.

Assets leased to customers under contracts that do not substantially transfer all the rights and benefits of the asset are classified as operating leases.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(yy) Finance and operating leases (continued)

(yy.1) The Bank as lessor (continued)

Investment properties rented under operating leases are included in Other assets in the consolidated statement of financial position and depreciation is calculated on the book value of these assets, by systematically charging a proportion of their value over their estimated useful life. Lease revenue is recognized on a straight-line basis over the term of the lease.

(yy.2) The Bank as lessee

A contract is or contains a lease if it grants the right to control the use of an identified asset during a period of time in exchange for consideration.

A right-of-use asset is valued at cost at the beginning of the lease agreement, which is the initial value of the lease liability plus other expenses.

The lease liability is the present value of unpaid future lease payments, discounted using the Bank's incremental financing rate.

Right-of-use assets are measured using the cost model, less accumulated depreciation and accumulated impairment losses. Depreciation for right-of-use assets is recognized in the income statement on a straight-line basis from the start to the end of the lease term.

The monthly change in the UF for contracts in that monetary unit must be treated as a new measurement. Therefore, that adjustment amends the value of the lease liability and simultaneously the right-of-use asset under that lease contract.

After the beginning date, the lease liability is measured by reducing the book value to reflect lease payments and changes to the lease contract.

According to IFRS 16 "Leases", the Bank does not apply this standard to contracts whose duration is 12 months or less and those that contain a low value underlying asset. In these cases, lease payments are recognized as a lease expense.

(zz) Fiduciary activities

The Bank provides trust commissions and other fiduciary services that result in the investment of assets on behalf of customers. The assets held in a fiduciary capacity are not reported in the consolidated financial statements as they are not assets of the Bank. Commitments arising from these activities are disclosed in Note 40.26.

(aaa) Customer loyalty program

The Bank has a loyalty program that provides incentives to its customers, enabling them to acquire goods and/or services in exchange for prize points called "dólares premio" (prize dollars) which are granted as a function of purchases made with the Bank's credit cards and compliance with certain conditions established in the program. The exchange of the "dólares premios" is made by a third party. These benefit programs are fully provisioned to meet their future performance obligations, in accordance with IFRS 15.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(bbb) Additional provisions

In accordance with the rules issued by the CMF, banks may establish additional provisions beyond those resulting from applying their portfolio evaluation models, in order to safeguard against the risk of unpredictable economic fluctuations that may affect the macroeconomic environment or a specific economic sector.

These provisions are designed to guard against the risk of macroeconomic fluctuations and should anticipate the reversal of expansionary economic cycles that could lead to future economic conditions deteriorating and thus function as a countercyclical mechanism to accumulate additional provisions when the scenario is favorable and release them or allocate them to specific provisions when external conditions deteriorate.

As a result, additional provisions must always correspond to general provisions on commercial, residential mortgage or consumer loans, or on identified segments, and in no case may they be used to offset deficiencies in the models used by the Bank.

As of December 31, 2022 the balance of additional provisions was ThCh\$ 700,251,877 (ThCh\$ 540,251,877 as of December 31, 2021), which are presented in "Special provisions for credit risk" in the consolidated statement of financial position.

(ccc) Measurement of fair value

Fair value is the amount that would be received for selling an asset or paid for transferring a liability in an orderly transaction between participants in the main (or most advantageous) market as of the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. The most objective and usual benchmark for the fair value is the price paid for it in an active, transparent and deep market ("quoted price" or "market price").

When available, the Bank determines the fair value of an instrument by using prices quoted on an active market for that instrument. A market is called active if the prices quoted are easily and regularly available, represent actual transactions and occur regularly on an independent basis.

If the market for a financial instrument were not active, the Bank determines the fair value by using a valuation technique. The valuation techniques include the use of recent market transactions between interested and duly-informed parties acting in conditions of mutual independence, if available, and references to fair value of another substantially-equal financial instrument, discounted cash flows and option price-setting models.

The valuation technique chosen makes the maximum use possible of information obtained in the market, using the least possible amount of data estimated by the Bank, incorporates all the factors that market participants would consider for setting the price, and be consistent with the economic methodologies generally accepted for calculating the price of financial instruments. The variables used for the valuation technique fairly represent market expectations and reflect the risk-return factors inherent to the financial instrument. The valuation technique is regularly revised by the Bank to prove its validity by using prices of any other recent and observable market transaction in the same instrument or that are based on any observable and available market data.

The best evidence of the fair value of a financial instrument, when initially recognizing it, is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument can be better shown through comparison with other real market transactions observed for the same instrument (i.e. without modifying or presenting a different form of it) or through a valuation technique whose variables include just observable market data. However, when the transaction price provides the best evidence of fair value at its initial recognition, the financial instrument is initially valued at the transaction price and any difference between that price and the value obtained initially from the valuation model is shown later in the income statement.

The Bank generally has financial assets and liabilities that compensate market risks, and it uses average market prices as a basis for establishing their fair value.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 2 – Summary of significant accounting policies (continued)

(ccc) Measurement of fair value (continued)

Subsequently, these estimated fair values are adjusted by other factors, such as uncertainties in the risk or liquidity model, to the degree that the Bank believes that another market participant takes them into account in determining the price of a transaction.

The Bank's fair value disclosures are included in Note 40.41.

(ddd) Reclassifications

As of December 31, 2022, there have been no significant reclassifications, other than those mentioned in Note 40.2.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 3 – Changes in accounting policies

The consolidated financial statements as of December 31, 2022, do not include any changes in accounting policies and estimates from the previous year, other than those mentioned in Note 40.2.

Note 4 – Cash and cash equivalents

(a) As of December 31, 2022 and 2021, these are detailed as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Cash on hand	2,010,524	1,821,261
Bank balances	175,409,062	220,202,758
Time deposits up to 90 days	453,696,543	379,177,615
Investments under repurchase agreements	41,460,928	43,074,121
Total	<u>672,577,057</u>	<u>644,275,755</u>

As indicated in Note 2 f) and w), the consolidated statement of cash flows includes the banking subsidiaries, which are shown separately in that statement. The data in this note does not include the cash and cash equivalents of banking subsidiaries. Similarly, the balances that Quiñenco and its subsidiaries keep in checking accounts, time deposits and other investments with Banco de Chile, amounting to ThCh\$ 5,071,390 as of December 31, 2022 (ThCh\$ 37,217,728 as of December 31, 2021), have been eliminated from these consolidated financial statements.

(b) Cash and cash equivalents by currency are detailed as follows:

	Currency	December 31,	12/31/21
		2022	ThCh\$
		ThCh\$	ThCh\$
Cash and cash equivalents	Ch\$ (Chilean peso)	249,268,217	229,346,707
Cash and cash equivalents	USD (US dollar)	383,312,794	395,108,435
Cash and cash equivalents	EUR (Euro)	15,271,737	198,281
Cash and cash equivalents	ARS (Argentine peso)	-	784
Cash and cash equivalents	BRL (Brazilian real)	1,193,069	1,602,377
Cash and cash equivalents	OTR (Other currencies)	23,531,240	18,019,171
Total		<u>672,577,057</u>	<u>644,275,755</u>

(c) Reconciliation between cash and cash equivalents shown in the consolidated statement of financial position and that shown in the consolidated statement of cash flows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Cash and cash equivalents in non-banking sector	672,577,057	644,275,755
Cash and cash equivalents in banking sector		
Cash	947,669,481	1,073,600,066
Deposits in the Chilean Central Bank	384,229,874	1,545,472,133
Deposits with banks in Chile	116,541,185	129,857,733
Deposits abroad	1,316,443,361	964,802,665
Transactions in the course of collection, net	90,403,974	116,719,662
Other cash flows	3,250,102,190	3,458,374,310
Cash and cash equivalents in the consolidated statement of cash flows	<u>6,777,967,122</u>	<u>7,933,102,324</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 4 – Cash and cash equivalents (continued)

(d) Significant unavailable cash balances

As of December 31, 2022 and 2021, there were no restrictions on cash and cash equivalents.

The funds held in cash and cash equivalents with the Chilean Central Bank meet the banking sector regulations for reserve requirements that the Bank must hold on an average monthly basis.

(e) Changes in liabilities produced by financing activities.

The Company has not entered into any significant investing or financing transactions that do not require the use of cash or cash equivalents.

Note 5 – Other financial assets, current

As of December 31, 2022 and 2021, these are detailed as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Time deposits maturing in more than 90 days	51,570,412	7,934,791
Hedging assets	3,183,799	440,083
Investments in mutual funds	518,602	230,665
Guarantees for financial transactions	11,126	92,071
Total	<u>55,283,939</u>	<u>8,697,610</u>

(a) Hedging assets

The fair value of current hedging assets is detailed as follows:

Hedge classification	Hedge description	Hedged risk	Hedged item	Current		Fair values	
				12/31/22 ThCh\$	12/31/21 ThCh\$	12/31/22 ThCh\$	12/31/21 ThCh\$
Forwards	Cash flow hedge instruments	Exchange rate fluctuations	US dollars	-	48,147	-	48,147
Swap	Cash flow hedge instruments	Exchange rate fluctuations	US dollars	456,173	-	456,173	-
Derivatives	Cash flow hedge instruments	Rate Interest	US dollars	2,727,626	391,936	2,727,626	391,936
	Total hedging assets			<u>3,183,799</u>	<u>440,083</u>	<u>3,183,799</u>	<u>440,083</u>

Note 6 – Other non-financial assets, current

As of December 31, 2022 and 2021, these are detailed as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Advance payments to suppliers	11,058,957	12,460,022
VAT and other recoverable taxes	71,643,882	18,381,380
Other	6,304	21,764
Total	<u>82,709,143</u>	<u>30,863,166</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 7 – Trade and other receivables

As of December 31, 2022 and 2021, these are detailed as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Trade receivables	287,048,718	259,348,651
Other receivables	26,576,816	40,101,186
Impaired receivables provision	<u>(17,398,778)</u>	<u>(18,446,295)</u>
Total	<u>296,226,756</u>	<u>281,003,542</u>
Less: Other receivables, non-current (1)	<u>(605,628)</u>	<u>(12,749,751)</u>
Trade and other receivables, current	<u>295,621,128</u>	<u>268,253,791</u>

(1) Other receivables, non-current mainly consists of loans to entities abroad with various interest rates and collection periods, and employee loans.

The maturities of current trade and other receivables are detailed as follows:

Delinquency buckets	12/31/22				12/31/21			
	Number of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	Number of customers in renegotiated portfolio	Gross renegotiated portfolio ThCh\$	Number of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	Number of customers in renegotiated portfolio	Gross renegotiated portfolio ThCh\$
Not yet due	5,361	253,630,068	-	-	7,191	253,861,964	-	-
1 - 30 days	2,337	28,298,155	-	-	3,093	14,629,187	-	-
31 - 60 days	451	7,268,819	-	-	845	4,311,298	-	-
61 - 90 days	196	3,889,028	-	-	276	4,110,262	-	-
91 - 120 days	225	1,224,736	-	-	353	1,303,357	-	-
121 - 150 days	174	426,218	-	-	314	1,584,639	-	-
151 - 180 days	159	489,552	-	-	220	1,606,600	-	-
181 - 210 days	133	1,102,347	-	-	294	132,616	-	-
211 - 250 days	201	476,714	-	-	331	456,977	-	-
Over 250 days	455	16,819,897	-	-	3,656	17,452,937	-	-
Total	9,692	313,625,534	-	-	16,573	299,449,837	-	-

Unsecured portfolio	12/31/22		12/31/21	
	No. Customers	Portfolio ThCh\$	No. Customers	Portfolio ThCh\$
Documents receivable rejected	306	2,168,749	546	2,261,235
Documents receivable under legal collection procedures	-	-	-	-

Provisions							
12/31/22				12/31/21			
Non-renegotiated portfolio ThCh\$	Renegotiated portfolio	Write offs for period ThCh\$	Recoveries for period ThCh\$	Non-renegotiated portfolio ThCh\$	Renegotiated portfolio	Write offs for period ThCh\$	Recoveries for period ThCh\$
(17,398,778)	-	546,611	-	(18,446,295)	-	42,235	-

As of December 31, 2022 and 2021, the Company had no customers in the guaranteed portfolio category. There are no significant changes in the loss adjustment disclosed in accordance with paragraph 35H of IFRS 7.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 7 – Trade and other receivables (continued)

Impairment of trade and other receivables

The impairment is mainly attributable to Banco de Chile in the banking sector (see note 40.24 to these consolidated financial statements), and mainly attributable to SM SAAM and Enex in the non-banking sector.

SM SAAM

Credit risk is the risk of financial loss arising from a customer or counterparty to a financial instrument not fulfilling its contractual obligations. This is especially applicable to SM SAAM and its subsidiaries' trade receivables. When granting credit to customers, a credit assessment is performed by a credit committee in order to reduce the risk of non-payment. Credit granted to customers is regularly reviewed, in accordance with the controls defined in SM SAAM's policies, and to monitor the status of accounts pending collection.

Market terms and conditions apply to SM SAAM's services and payment terms are normally less than 90 days. These transactions are not concentrated in significant customers, which diversifies this risk.

SM SAAM has defined customer categories with respect to their arrears based on defined default criteria, which further define the corresponding collection measures and when they are exhausted, legal collection. Default is based on the customers' inability to pay their obligations on the dates they fall due, according to the credit terms granted by the Company. When the credit period expires, the company will classify the debtor within the established default ranges, and apply the expected loss percentages defined by the company.

SM SAAM applies the simplified approach offered by IFRS 9 to measure expected credit losses using an expected loss provision over the life of the instrument for all receivables.

The evaluation of expected loss rates was based on the payment profiles of receivables during the 6-month period after that date and the credit losses within the current period. Historical loss rates are adjusted to reflect current and prospective information on various macroeconomic and customer-specific factors that affect their ability to settle receivables, such as the status of the country, industry, inflation, bankruptcy, and other factors. The Company analyses the specific market situation of each customer where necessary and has determined specific events that could affect their creditworthiness, resulting in higher risk factors where appropriate. The estimation techniques and assumptions have not been amended during the period.

On this basis, the provisions for credit risk for SM SAAM as of December 31, 2022 and 2021, were as follows for each business segment.

Segment	Category	Range	Average % Expected loss Towage	Average % Expected loss SAAM Puertos S.A. (1)	Average % Expected loss SAAM Others
Bucket 1	A1	Not yet due	0.36	0.19	0.22
	A2	1-30 days	2.90	2.69	2.22
	A3	31-60 days	6.78	5.68	6.30
	A4	61-90 days	12.84	11.08	26.69
Bucket 2	B1	91-120 days	20.78	33.72	27.96
	B2	121-180 days	28.74	34.46	47.87
	B3	181-240 days	61.59	51.49	55.85
Bucket 3	C1	241-300 days	76.02	66.73	72.93
	C2	301-360 days	85.41	85.61	87.04
	C3	Over 360 days	100.00	100.00	100.00

(1) Companies with discontinued operations, presented in Note 10.

Note: The entire expected loss is applied directly to documents in judicial collection, rejected checks and other related documents.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 7 – Trade and other receivables (continued)

Currently, the expected loss percentages due to the impairment of receivables are separately calculated by each company within the SAAM Group. This is because each company has different criteria for granting credit and managing collections. Likewise, movements between financial asset segments (buckets) are due to significant changes in the credit risk of these instruments. Management regularly reviews these changes when calculating this provision.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor does not suggest a payment plan, cannot meet contractual payments for a period exceeding 360 days, the results of external and judicial collection, and other indicators.

Impairment losses on receivables and contractual assets are presented as net impairment losses in operating income. Subsequent recoveries of previously eliminated receivables are credited against the same line.

There are no financial assets that have been eliminated or contractually amended during the period and are pending collection.

The book value of SM SAAM's financial assets represents the current exposure to credit risk. The provisions for credit risk for trade receivables as of December 31, 2022 and 2021 were as follows.

Impairment losses on receivables	12-31-2022			12-31-2021		
	ThCh\$			ThCh\$		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	84,606,896	135,226	84,742,122	100,154,049	-	100,154,049
Impaired trade receivables	(14,907,369)	-	(14,907,369)	(16,834,672)	-	(16,834,672)
Trade receivables, net	69,699,527	135,226	69,834,753	83,319,377	-	83,319,377
Other receivables	16,173,186	443,335	16,616,521	12,935,583	12,749,751	25,685,334
Impairment of other receivables	-	-	-	-	-	-
Other receivables, net	16,173,186	443,335	16,616,521	12,935,583	12,749,751	25,685,334
Total trade and other receivables	85,872,713	578,561	86,451,274	96,254,960	12,749,751	109,004,711

Movement in impairment provision	12/31/22	12/31/21
	ThCh\$	ThCh\$
Opening balance as of January 1	16,834,672	4,113,557
Increases in provisions	(138,836)	996,319
Reductions for business combination	18,337	10,107,806
Receivables written off	(546,611)	(38,057)
Effect of exchange rates	614,174	1,655,047
Transfer to assets with discontinued operations	(1,874,367)	-
Closing balance as of December 31	14,907,369	16,834,672

There is no longer any possibility of recovering receivables written off during the current year.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 7 – Trade and other receivables (continued)

Enex, a subsidiary of Invexans

The indirect subsidiary Enex S.A. has taken out credit insurance, in order to cover the risk of unpaid receivables from its domestic and international bunker business sales. The policy has been maintained.

Credit insurance segments customers according to the coverage granted by the insurance company and the evaluation method for granting such coverage. As of December 31, 2022, coverage was distributed as follows:

Coverage	Amount	Number of customers
Specified debtor	> UF 1,200	631
Unspecified debtor	< UF 1,200	1,552

Specified debtors are those whose credit limit is higher than the segmentation established in the policy, which will be approved, limited or rejected after an exhaustive evaluation by an expert credit analyst at the insurance company.

Unspecified debtors are those whose credit limit is below the segmentation and with whom the insured may carry out transactions under the policy, without the need for prior credit classification by a risk underwriter.

47% of credit granted by Enex (credit lines) is to customers outside the scope of coverage, such as large mining companies, large energy generators, service stations, and other companies, and 53% is to other covered customers, whose average coverage is 81% of their credit limit.

Impairment losses on trade receivables are recognized when there is objective evidence that Enex will no longer be able to collect all amounts in accordance with their original terms. Some indicators that a receivable may not be collectible are financial difficulties, initiation of bankruptcy proceedings, financial restructuring and arrears arising for the industrial and retail customers. The estimated impairment loss is the "Expected Credit Losses," using the simplified approach established in IFRS 9 and a risk analysis is performed to determine whether the portfolio is impaired, in accordance with three years' historical experience of the uncollectibility of the portfolio, which is adjusted according to macroeconomic variables, in order to obtain sufficient prospective information for the estimate and considers other age factors covering all debts exceeding 180 days in arrears, and those cases where partial losses are estimated on a case-by-case basis, in accordance with the policy. Additionally, Enex has credit insurance for individually significant receivables. Other impairment losses are recorded in the consolidated income statement by function.

On this basis, the provision for losses as of December 31, 2022 and 2021, was as follows.

Range in days	Factor
0-30	0.002%
31-60	2.532%
61-90	5.242%
91-120	43.759%
121-150	43.601%
150-180	60.921%
Over 181	100.000%

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 8 – Related party balances and transactions

(a) Related party receivables and payables

	ID number	Country	Transaction	Relationship	Currency	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
						12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
						ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Minera Los Pelambres S.A.	96.790.240-3	Chile	Invoices	Common shareholder	Ch\$	9,434,145	8,806,021	-	-	-	-	-	-
Comercial CCU S.A.	99.554.560-8	Chile	Invoices	Subsidiary of joint venture	Ch\$	7,703	4,797	-	-	207,974	207,502	-	-
Sociedad Nacional de Oleoductos	81.095.400-0	Chile	Invoices	Associate of subsidiary	Ch\$	-	-	-	-	-	75,814	-	-
Sociedad de Inversiones de Aviación Ltda.	82.040.600-1	Chile	Invoices	Associate of subsidiary	Ch\$	-	-	-	-	196,848	174,479	-	-
Asfaltos Cono Sur S.A.	96.973.920-8	Chile	Invoices	Joint venture of subsidiary	Ch\$	159,190	89,612	-	-	-	32,781	-	-
Enex Paraguay SAE	Foreign	Paraguay	Loan	Joint venture of subsidiary	USD	4,773,131	-	-	-	837,887	-	-	-
Ferrocarril Antofagasta Bolivia S.A.	81.148.200-5	Chile	Invoices	Common shareholder	Ch\$	2,617,220	1,662,834	-	-	-	-	-	-
Minera Antucoya	76.079.669-7	Chile	Invoices	Common shareholder	Ch\$	26,532	4,479	-	-	-	-	-	-
Minera Centinela	76.727.040-2	Chile	Invoices	Common shareholder	Ch\$	38,259,507	22,148,089	-	-	-	-	-	-
Nexans Brasil S.A. (1)	Foreign	Brazil	Legal settlement	Associate of subsidiary	USD	24,297	160,820	-	-	-	-	-	-
Hapag Lloyd Chile SpA	76.380.217-5	Chile	Services	Associate of subsidiary	Ch\$	-	2,256,167	-	-	-	183,298	-	-
Hapag Lloyd AG	Foreign	Germany	Services	Joint venture of subsidiary	USD	1,802,441	4,650,018	-	-	-	-	-	-
Hapag Lloyd Aktiengesellschaft	Foreign	Germany	Services	Associate of subsidiary	USD	-	233,134	-	-	-	-	-	-
Hapag Lloyd Ecuador	Foreign	Ecuador	Services	Associate of subsidiary	USD	-	698,559	-	-	-	-	-	-
Hapag Lloyd AG Mexico S.A. de C.V.	Foreign	Mexico	Services	Associate of subsidiary	USD	219,100	163,026	-	-	-	-	-	-
CSAV Austral SpA	89.602.300-4	Chile	Checking accounts	Associate of subsidiary	USD	41,937	334,497	-	-	-	-	-	-
Transbordador Austral Broom S.A.	82.074.000-6	Chile	Invoices	Associate of subsidiary	Ch\$	87,298	-	-	-	-	-	-	-
Transportes Fluviales Corral S.A.	96.657.210-8	Chile	Services	Associate of subsidiary	Ch\$	35,946	57,116	-	-	-	-	-	-
Iquique Terminal Internacional S.A.	96.915.330-0	Chile	Checking accounts	Associate of subsidiary	USD	136,938	34,292	-	-	-	-	-	-
Antofagasta Terminal Internacional S.A.	99.511.240-K	Chile	Services	Associate of subsidiary	Ch\$	160,902	167,319	-	-	-	-	-	-
San Antonio Terminal Internacional S.A.	96.908.970-K	Chile	Services	Associate of subsidiary	Ch\$	257,614	366,026	-	-	-	138,529	-	-
San Antonio Terminal Internacional S.A.	96.908.970-K	Chile	Dividends	Associate of subsidiary	Ch\$	-	2,046,684	-	-	-	-	-	-
Lng Tugs Chile S.A.	76.028.651-6	Chile	Services	Associate of subsidiary	USD	151,487	97,984	-	-	-	-	-	-
San Vicente Terminal Internacional S.A.	96.908.930-0	Chile	Services	Associate of subsidiary	USD	78,739	98,829	-	1,474,829	-	-	-	-
Other	-	-	Invoices		Ch\$	469,459	313,522	-	8,253	36,802	10,742	-	-
Total						58,743,586	44,393,825	-	1,483,082	1,279,511	823,145	-	-

(1) The recognition of loans related to lawsuits in Brazil arising from the sales contract of the Cable Unit. For legal purposes (Law 18045 and 18046) Nexans Brasil S.A. is not related to the Company.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 8 – Related party balances and transactions (continued)

(b) Significant transactions with related parties

The criterion of the parent company is to classify the rights with its associates with respect to dividends as Other assets, in view of the related entity's nature but not quality.

Transactions between related parties are carried out at market prices. No guarantees have been provided or received for related party receivables or payables. Significant items when disclosing transactions with related parties are those that exceed UF 10,000 or 1% of the equity, whichever is lower.

ID number	Company	Relationship	Description	12/31/22		12/31/21	
				Transaction amount	Effect on net income	Transaction amount	Effect on net income
				ThCh\$	ThCh\$	ThCh\$	ThCh\$
96.790.240-3	Minera Los Pelambres S.A.	Common shareholder	Sales of products and services	83,367,879	83,367,879	54,831,133	54,831,133
76.727.040-2	Minera Centinela S.A.	Common shareholder	Sales of products and services	223,065,383	223,065,383	117,146,946	117,146,946
99.554.560-8	Comercial CCU S.A.	Subsidiary of joint venture	Product purchases	4,227,466	(4,227,466)	-	-
96.973.920-8	Asfaltos Conosur S.A.	Joint venture of subsidiary	Asphalt terminal administration services	1,056,531	1,056,531	23,793	23,793
96.973.920-8	Asfaltos Conosur S.A.	Joint venture of subsidiary	Services received	412,849	(412,849)	483,718	(483,718)
99.501.760-1	Ecusa S.A.	Subsidiary of joint venture	Product sales	576,846	576,846	503,188	503,188
81.095.400-0	Sociedad Nacional de Oleoductos S.A.	Associate of subsidiary	Dividends received	2,765,026	2,765,026	2,931,398	2,931,398
81.095.400-0	Sociedad Nacional de Oleoductos S.A.	Associate of subsidiary	Services received	521,080	(521,080)	431,436	(431,436)
81.148.200-5	Ferrocarril Antofagasta Bolivia	Common shareholder	Product sales	24,671,346	24,671,346	13,270,229	13,270,229
82.040.600-1	Sociedad Inversiones de Aviación S.A.	Associate of subsidiary	Services received	1,401,766	(1,401,766)	1,242,929	(1,242,929)
76.380.217-5	Hapag Lloyd Chile SpA	Associate of subsidiary	Towage services revenue	1,131,353	1,131,353	936,951	936,951
Foreign	Hapag Lloyd A.G. Germany	Joint venture of subsidiary	Towage services revenue	1,422,072	1,422,072	1,178,990	1,178,990
Foreign	Hapag Lloyd Aktiengesellschaft	Associate of subsidiary	Towage services revenue	1,103,332	1,103,332	-	-
Foreign	Nexans S.A.	Associate of subsidiary	Dividends received	13,283,117	13,283,117	7,695,808	7,695,808
89.602.300-4	CSAV Austral SpA	Associate of subsidiary	Towage services revenue	786,343	786,343	867,688	867,688
76.028.651-6	Lng Tugs Chile S.A.	Associate of subsidiary	Towage services revenue	1,602,458	1,602,458	1,109,135	1,109,135
96.557.210-8	Transportes les Corral S.A.	Associate of subsidiary	Product sales	458,676	458,676	290,078	290,078
82.074.000-6	Transbordador Austral Broom	Associate of subsidiary	Product sales	504,194	504,194	75,196	75,196
99.511.240-K	Antofagasta Terminal Internacional S.A.	Associate of subsidiary	Product sales	639,871	639,871	348,269	348,269
96.915.330-0	Iquique Terminal Internacional S.A.	Associate of subsidiary	Product sales	1,325,259	1,325,259	483,510	483,510
96.908.930-0	San Vicente Terminal Internacional S.A.	Associate of subsidiary	Product sales	1,091,544	1,091,544	786,391	786,391
96.908.970-K	San Antonio Terminal Internacional S.A.	Associate of subsidiary	Purchase of port terminal services	2,248,738	(2,248,738)	2,231,405	(2,231,405)
93.857.000-0	Cía. de Inversiones Adriático	Common shareholder	Services	388,806	388,806	357,134	357,134

Note 8 – Related party balances and transactions (continued)

(c) Remuneration and benefits received by senior executives of the Parent Company

These are detailed for each year as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Wages and salaries	4,533,878	5,041,090
Fees (allowances and profit sharing)	13,440,043	7,102,839
Short-term benefits	21,865,692	16,143,577
Total	<u>39,839,613</u>	<u>28,287,506</u>

Note 9 – Inventory

As of December 31, 2022 and 2021, these are detailed as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Inventory, current		
Raw materials	395,407	276,214
Fuel and lubricants	206,558,388	107,773,997
Production supplies	4,172,317	11,276,612
Others (1)	16,137,241	13,219,398
Total	<u>227,263,353</u>	<u>132,546,221</u>

(1) Mainly inventory in transit.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Inventory, non-current		
Spare parts	3,104,204	1,683,467
Other inventory	349,191	-
Total	<u>3,453,395</u>	<u>1,683,467</u>

The costs of inventory recognized as expenses in the consolidated statement of comprehensive income as of December 31 each year are:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Inventory costs recognized as expenses	<u>4,024,355,114</u>	<u>2,566,903,446</u>
Total	<u>4,024,355,114</u>	<u>2,566,903,446</u>

Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations

As of December 31, 2022 and 2021, these are as follows.

	Invexans		Tech Pack		SM SAAM		CSAV		Total	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Non-current assets held for sale	2,881,587	2,843,979	-	-	8,528,645	8,619,217	-	1,142,021	11,410,232	12,605,217
Assets from discontinued operations	-	-	-	-	612,250,807	69,663,450	-	-	612,250,807	69,663,450
Total assets held for sale	2,881,587	2,843,979	-	-	620,779,452	78,282,667	-	1,142,021	623,661,039	82,268,667
Non-current liabilities held for sale	-	-	-	-	-	-	-	3,379	-	3,379
Liabilities from discontinued operations	-	-	-	-	233,706,267	-	-	-	233,706,267	-
Total liabilities held for sale	-	-	-	-	233,706,267	-	-	3,379	233,706,267	3,379

(a) Non-current assets held for sale

As of December 31, 2022 and 2021, these are as follows.

	Invexans		Tech Pack		SM SAAM		CSAV		Total	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Properties	2,881,587	2,843,979	-	-	7,803,732	8,094,664	-	1,023,764	10,685,319	11,962,407
Machinery, vehicles and equipment	-	-	-	-	724,913	521,173	-	-	724,913	521,173
Other assets	-	-	-	-	-	3,380	-	118,257	-	121,637
Total assets	2,881,587	2,843,979	-	-	8,528,645	8,619,217	-	1,142,021	11,410,232	12,605,217

(a.1) Invexans

The subsidiary Invexans has reclassified various properties associated with the Manufacturing segment as asset groups held for sale. The assets held for sale by Invexans are mainly properties that the company or its subsidiaries used for production or for complementary purposes. Currently these assets are a property in Quilpué that was used by Armat S.A. (former subsidiary) to manufacture coin blanks.

(a.2) SM SAAM

Part of property and equipment associated with the Port Terminals Division of the subsidiary SM SAAM is presented as a group of assets classified as held for sale, in accordance with the commitment signed by Management.

(a.3) CSAV

A disposal plan was executed by the subsidiary CSAV for its freight forwarder and logistics services business units, operated by the subsidiary Norgistics. So, these business units were classified as held for sale and discontinued operations.

Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations (continued)

(b) Discontinued operations

(b.1) SM SAAM

On October 4, 2022, SM SAAM informed the market of the material event that it had signed an agreement with Hapag-Lloyd Aktiengesellschaft ("Hapag-Lloyd") to sell (i) all the shares of the companies SAAM Ports S.A. and SAAM Logistics S.A., both direct subsidiaries of SM SAAM, and (ii) certain real estate owned by the indirect subsidiary of SM SAAM, Inmobiliaria Marítima Portuaria S.A., which SAAM Logistics S.A. currently uses.

This transaction is subject to certain regulatory approvals both in Chile and abroad and must comply with other conditions that are customary for this type of operations. Upon completion of this transaction, SM SAAM will sell its entire port terminals business operation to Hapag-Lloyd, which includes 10 terminals in 6 countries in the Americas and the entire inland logistics business. Subsequent to this transaction, SM SAAM will continue to operate its activities in the towage and air cargo logistics industry.

The total value agreed for the assets of SAAM Ports S.A., SAAM Logistics S.A. and the real estate assets amounts to US\$1.137 billion. The total closing price to be paid for the shares of both companies and for the Real Estate Assets (deducting the net financial debt proportional to the ownership of the underlying assets from the total value) is estimated at approximately US\$1 billion, after customary adjustments for this type of transaction.

The agreement is subject to the fulfillment of certain conditions precedent, including obtaining the necessary authorizations as indicated above. It contemplates granting representations and guarantees, as well as affirmative and negative obligations, in addition to the other usual stipulations for this type of transaction.

In accordance with the provisions of Circular No. 988 of the Financial Market Commission, it is estimated that the Transaction, considering the costs, taxes and associated expenses, will represent a net profit of approximately US\$400 million for SM SAAM.

The income statement has been restated for the year ended December 31, 2021, as required by IFRS 5, to enhance the understanding and comparability of the financial statements. The results of the entities comprising the Port Terminals and Inland Logistics businesses were presented in the consolidated income statement as the total after-tax results of these businesses as discontinued operations.

The results of discontinued operations at the subsidiary SM SAAM was as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Revenue	310,439,608	269,634,624
Expenses	(246,864,594)	(219,553,890)
Net income before taxes	63,575,014	50,080,734
Income tax expense	(43,848,759)	(13,595,792)
Net income from discontinued operations	19,726,255	36,484,942

Statement of Cash Flows

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Cash flows provided by (used in) operating activities	90,592,696	64,050,846
Cash flows provided by (used in) investing activities	(3,719,959)	16,649,269
Cash flows provided by (used in) financing activities	(13,510,693)	(78,328,957)
Effect of changes in exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents, opening balance	-	-
Cash and cash equivalents, closing balance	(73,362,044)	2,371,158

Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations (continued)

(b) Discontinued operations (continued)

(b.2) CSAV

CSAV discontinued its freight forwarder and logistics services business unit operated by the subsidiary Norgistics during the last quarter of 2017, given this unit's inability to sustain enough business volume to make its operation profitable and develop it within CSAV's business context. On January 23, 2020, CSAV announced the orderly closure of its car carrier business and the termination of services. This decision was made to focus all economic and management efforts on developing its main asset—its interest in the German shipping company Hapag-Lloyd AG (the company in which CSAV is one of the main shareholders).

The result of discontinued operations at the subsidiary CSAV was as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Revenue	75,719	38,782
Expenses	(141,225)	(33,236)
Net income (loss) before taxes	<u>(65,506)</u>	<u>5,546</u>
Income tax (expense) income	-	-
Net income (loss) from discontinued operations	<u><u>(65,506)</u></u>	<u><u>5,546</u></u>

Statement of Cash Flows

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Cash flows provided by (used in) operating activities	(23,964)	(38,098)
Cash flows provided by (used in) investing activities	-	-
Cash flows from (used in) financing activities	-	-
Effect of changes in exchange rates on cash and cash equivalents	-	3,632
Cash and cash equivalents, opening balance	-	-
Cash and cash equivalents, closing balance	<u><u>(23,964)</u></u>	<u><u>(34,466)</u></u>

(b.1) Tech Pack

1) As of September 30, 2013, this subsidiary's Board of Directors suspended its operations at Decker Industrial S.A. a subsidiary that manufactured copper pipes in Argentina, as part of its strategic business development plan and due to various internal and external factors.

2) The total shareholding of Decker Industrial S.A. and subsidiaries was sold during the first half of 2021.

As of March 31, 2021, the net loss for the period of the discontinued operation is classified as Gain (loss) on discontinued operations, net of taxes, as established in IFRS 5.

The summary of the effects of discontinued operations on the statement of income is as follows:

	12/31/2022	12/31/2021
	ThCh\$	ThCh\$
Revenue	-	-
Expenses	-	(128,324)
Net loss before taxes	<u>-</u>	<u>(128,324)</u>
Income tax benefit (expense)	-	-
Loss on discontinued operations, net of taxes	<u>-</u>	<u>(128,324)</u>
Loss on AMCOR transaction, net of taxes	<u>-</u>	<u>(5,954)</u>
Net loss on discontinued operations, net of taxes	<u><u>-</u></u>	<u><u>(134,278)</u></u>
Statement of Cash Flows	12/31/2022	12/31/2021
	ThCh\$	ThCh\$
Cash flows provided by (used in) operating activities	-	(148,426)
Cash flows provided by (used in) investing activities	-	(35,617)
Cash flows provided by (used in) financing activities	-	136,730
Effect of changes in exchange rates on cash and cash equivalents	-	6,389
Cash and cash equivalents, opening balance	<u>-</u>	<u>40,924</u>
Cash and cash equivalents, closing balance	<u><u>-</u></u>	<u><u>-</u></u>

Note 11 – Other financial assets, non-current

As of December 31, 2022 and 2021, these are detailed as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Equity instruments (shares)	41,308,522	76,817,836
Hedge assets	18,563,509	38,856
Other	1,207,688	1,193,058
Total	<u>61,079,719</u>	<u>78,049,750</u>

Note 12 – Other non-financial assets, non-current

As of December 31, 2022 and 2021, these are detailed as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Court deposits Ficap Brasil	8,692,272	7,755,086
Other recoverable taxes	4,621,149	4,291,673
Other	1,286,285	1,344,049
Total	<u>14,599,706</u>	<u>13,390,808</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 13 – Investments recognized using the equity method

(a) Summary of financial information of significant subsidiaries ¹

Summarized financial information for significant subsidiaries as of December 31, 2022, is as follows:

Company	Country of incorporation	Functional currency	Percentage interest	Current assets	Non-current assets	Banking Assets	Current liabilities	Non-current liabilities	Banking liabilities	Revenue	Expenses	Net income (loss) for the year
			%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
TECH PACK	Chile	USD	99.97	155,068,301	40,511,505	-	93,026	-	-	25,093	-	6,604,017
INVEXANS	Chile	USD	99.85	657,806,128	1,627,495,355	-	576,599,220	498,643,631	-	4,486,425,846	(3,991,762,516)	145,257,623
LQIF	Chile	Ch\$	50.00	525,677	845,220,199	55,255,361,593	20,990,337	270,480,494	50,126,301,313	2,120,308,915	(435,117,020)	680,072,670
SM SAAM S.A.	Chile	USD	60.02	822,608,983	795,021,192	-	383,569,065	484,014,506	-	404,206,916	(284,773,143)	40,194,034
CSAV	Chile	USD	66.45	523,247,308	8,289,179,813	-	1,944,514,761	94,210,919	-	-	-	4,847,513,033
Total				2,159,256,397	11,597,428,064	55,255,361,593	2,925,766,409	1,347,349,550	50,126,301,313	7,010,966,770	(4,711,652,679)	5,719,641,377

Summarized financial information for significant subsidiaries as of December 31, 2021, is as follows:

Company	Country of incorporation	Functional currency	Percentage interest	Current assets	Non-current assets	Banking Assets	Current liabilities	Non-current liabilities	Banking liabilities	Revenue	Expenses	Net income (loss) for the year
			%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
TECH PACK	Chile	USD	99.97	95,272,964	80,272,265	-	129,973	17,762	-	22,195	-	(3,817,299)
INVEXANS	Chile	USD	99.83	453,733,154	1,460,174,148	-	331,986,090	484,852,906	-	2,908,240,033	(2,547,618,737)	103,545,206
LQIF	Chile	Ch\$	50.00	237,085	845,637,954	51,785,325,251	15,681,799	254,833,639	47,297,268,548	1,856,995,818	(887,762,670)	383,729,481
SM SAAM S.A.	Chile	USD	59.73	446,746,406	1,106,826,027	-	212,878,774	617,460,793	-	569,681,296	(383,782,260)	59,932,882
CSAV	Chile	USD	66.45	21,455,971	5,067,976,976	-	834,458,237	130,632,998	-	-	-	2,491,574,776
Total				1,017,445,580	8,560,887,370	51,785,325,251	1,395,134,873	1,487,798,098	47,297,268,548	5,334,939,342	(3,819,163,667)	3,034,965,046

Significant subsidiaries are determined by following the same criterion used in establishing the Company's **Operating Segments** (Note 34).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 13 – Investments recognized using the equity method (continued)

(b) Interest in joint ventures

In accordance with paragraph 21 of IFRS 12, the following shows summarized financial information of the significant interests in joint ventures as of December 31, 2022:

Company	Country	Book value of	Percentage	Current	Non-current	Current	Non-current	Revenue	Expenses	Net income
		investment	interest	assets	assets	liabilities	liabilities			(loss)
		ThCh\$	%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Hapag Lloyd A.G. (1)	Germany	7,847,947,201	30.00	4,000,833,967	19,910,449,741	15,435,268,207	5,844,448,840	31,718,191,281	(14,356,395,301)	15,637,449,863
Inversiones y Rentas S.A. (2)	Chile	360,729,429	50.00	1,677,573,754	1,960,267,514	806,512,020	1,540,100,903	2,711,434,948	(1,514,925,309)	52,275,882
Asfaltos Cono Sur S.A.	Chile	3,414,881	50.00	175,451	9,221,036	2,566,724	-	3,959,987	(6,136,844)	(2,176,857)
Enex Paraguay	Paraguay	23,459,978	50.00	14,327,096	117,216,874	43,191,831	50,563,353	116,855,581	(123,647,375)	(3,791,794)
Total		8,235,551,489		5,692,910,268	21,997,155,165	16,287,538,782	7,435,113,096	34,550,441,797	(16,001,104,829)	15,683,757,094

There are no contingent liabilities or investment commitments to report, which relate to interests in joint ventures. The method used to recognize accounting interests in jointly controlled entities is the equity method, which is the same treatment as investments in associates.

(1) Quiñenco has an interest in Hapag Lloyd AG, through its subsidiary Compañía Sud Americana de Vapores (CSAV), over which it has significant influence and joint control through a shareholder agreement with the other controlling shareholders: the City of Hamburg and Kühne Maritime.

(2) Quiñenco has an indirect interest in CCU through its 50% holding in Inversiones y Rentas S.A. (IRSA), which is a joint venture with the Dutch brewery group Heineken Americas B.V. (Heineken). As a result, Heineken holds 50% of IRSA and is therefore a partner of Quiñenco, being the joint controllers of 65.87% of CCU. CCU's financial statements are presented on a consolidated basis in IRSA.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 13 – Investments recognized using the equity method (continued)

(b) Interest in joint ventures (continued)

In accordance with paragraph 21 of IFRS 12, the following shows summarized financial information of the significant interests in joint ventures as of December 31, 2021:

Company	Country	Book value of	Percentage	Current	Non-current	Current	Non-current	Revenue	Expenses	Net income
		investment	interest	assets	assets	liabilities	liabilities			(loss)
		ThCh\$	%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Hapag Lloyd A.G. (1)	Germany	4,855,952,183	30.00	4,392,148,953	10,927,814,503	14,611,815,905	5,696,239,658	20,456,993,414	(10,824,904,459)	8,334,553,757
Inversiones y Rentas S.A. (2)	Chile	362,523,960	50.00	1,094,008,529	1,782,515,230	777,937,140	809,343,462	2,484,712,280	(1,291,559,797)	116,049,041
Asfaltos Cono Sur S.A.	Chile	4,498,819	50.00	434,171	10,887,209	2,323,742	-	1,939,166	(2,609,335)	(670,169)
Enex Paraguay	Paraguay	10,248,624	50.00	21,103,735	24,171,649	15,817,665	17,972,469	35,905,878	(36,855,852)	(949,974)
Transportes y Servicios Aéreos S.A.	Chile	144,437	50.00	298,701	-	8,713	1,114	-	-	(884)
Inmobiliaria Carriel Ltda.	Chile	-	50.00	9,292	-	9,292	-	-	(8,068)	(16,122)
Inmobiliaria Sepbfo Ltda.	Chile	146,131	50.00	486,541	2,637,122	1,582,949	1,248,452	194,110	(19,671)	704
Muellaje del Maipo S.A.	Chile	60,818	50.00	9,929,331	951,966	7,218,721	3,540,940	16,513,887	(16,139,210)	(65,326)
Portuaria Corral S.A.	Chile	3,780,832	50.00	5,833,428	4,971,001	2,194,505	1,048,260	6,986,365	(3,410,346)	2,994,984
San Antonio Terminal Internacional S.A.	Chile	26,125,417	50.00	46,223,971	155,080,016	22,548,155	126,504,998	84,616,236	(59,131,227)	12,482,730
San Vicente Terminal Internacional S.A.	Chile	34,832,482	50.00	18,351,735	114,366,803	24,063,529	80,784,462	39,325,956	(38,540,921)	(4,923,242)
Servicios Portuarios Reloncaví Ltda.	Chile	-	50.00	-	-	-	-	9,360,312	(8,078,673)	645,166
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Chile	(6,758)	50.00	3,378	-	16,894	-	-	-	(1,451)
Transportes Fluviales Corral S.A.	Chile	1,626,028	50.00	2,795,079	3,632,167	1,882,814	1,292,376	5,217,892	(4,051,998)	523,525
Equimac S.A.	Colombia	2,315,295	50.00	5,007,322	79,401	456,133	-	348,506	-	2,229,350
Total		5,302,248,268		5,596,634,166	13,027,107,067	15,467,876,157	6,737,976,191	23,142,114,002	(12,285,309,557)	8,462,852,089

There are no contingent liabilities or investment commitments to report, which relate to interests in joint ventures. The method used to recognize accounting interests in jointly controlled entities is the equity method, which is the same treatment as investments in associates.

(1) Quiñenco has an interest in Hapag Lloyd AG, through its subsidiary Compañía Sud Americana de Vapores (CSAV), over which it has significant influence and joint control through a shareholder agreement with the other controlling shareholders: the City of Hamburg and Kühne Maritime.

(2) Quiñenco has an indirect interest in CCU through its 50% holding in Inversiones y Rentas S.A. (IRSA), which is a joint venture with the Dutch brewery group Heineken Americas B.V. (Heineken). As a result, Heineken holds 50% of IRSA and is therefore a partner of Quiñenco, being the joint controllers of 65.87% of CCU. CCU's financial statements are presented on a consolidated basis in IRSA.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 13 – Investments recognized using the equity method (continued)

(c) Interest in associates

(i) As of December 31, 2022, summarized financial information on significant interests in associates and joint ventures is as follows, in accordance with IFRS 12.

Company	Country	Book value of investment	Percentage interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Expenses	Finance income	Finance costs	Net income (loss) for the year	Cash & cash equivalents	Depreciation & amortization	Income tax expense	Other comprehensive income	Total comprehensive income
		ThCh\$	%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Nexans S.A. (1) and (2)	France	444,048,319	29.02	3,672,653,594	2,237,263,169	3,444,370,056	967,158,125	7,622,180,950	(7,265,842,055)	6,730,917	(42,647,442)	226,363,378	1,038,978,950	(161,972,056)	(306,892,649)	16,353,732	242,717,110
Hapag-Lloyd A.G.	Germany	7,847,947,201	30.000	4,000,833,967	19,910,449,741	15,435,268,207	5,844,448,840	31,718,191,281	(14,356,395,301)	231,682,008	(210,952,547)	15,637,449,863	13,920,174,340	(1,748,457,294)	(184,169,805)	130,182,585	15,767,632,448
Inversiones y Rentas S.A.	Chile	360,729,429	50.00	1,677,573,754	1,960,267,514	806,512,020	1,540,100,903	2,711,434,948	(1,514,925,309)	23,236,361	(78,246,431)	52,275,882	600,292,304	(126,497,493)	(216,279)	(2,344,412)	49,931,470
Total		8,652,724,949		9,351,061,315	24,107,980,424	19,686,150,283	8,351,707,868	42,051,807,179	(23,137,162,665)	261,649,286	(331,846,420)	15,916,089,123	15,559,445,594	(2,036,926,843)	(491,278,733)	144,191,905	16,060,281,028

(ii) As of December 31, 2021, summarized financial information on significant interests in associates and joint ventures is as follows, in accordance with IFRS 12.

Company	Country	Book value of investment	Percentage interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Expenses	Finance income	Finance costs	Net income (loss) for the year	Cash & cash equivalents	Depreciation & amortization	Income tax expense	Other comprehensive income	Total comprehensive income
		ThCh\$	%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Nexans S.A. (1) and (2)	France	400,982,759	28.88	3,376,947,295	2,018,919,171	2,765,174,650	1,253,891,861	6,925,032,163	(6,549,455,686)	6,678,688	(75,238,087)	139,843,099	929,249,382	(159,918,492)	(202,073,948)	99,133,060	238,976,159
Hapag-Lloyd A.G.	Germany	4,855,952,183	30.000	4,392,148,953	10,927,814,503	14,611,815,905	5,696,239,658	20,456,993,414	(10,824,904,459)	19,557,228	(244,786,300)	8,334,553,757	7,383,751,204	(1,343,497,052)	(56,295,043)	45,924,597	8,380,478,354
Inv. y Rentas S.A.	Chile	362,523,960	50.00	1,094,008,529	1,782,515,230	777,937,140	809,343,462	2,484,712,280	(1,291,559,797)	14,312,418	(38,853,146)	116,049,041	268,202,907	(124,116,739)	(82,692,108)	70,883,598	186,932,639
Total		5,619,458,902		8,863,104,777	14,729,248,904	18,154,927,695	7,759,474,981	29,866,737,857	(18,665,919,942)	40,548,334	(358,877,533)	8,590,445,897	8,581,203,493	(1,627,532,283)	(341,061,099)	215,941,255	8,806,387,152

(1) Relates to the latest information published by the company. These financial statements include the effects of the fair values that Invexans S.A. controls.

(2) In accordance with French regulations, Nexans does not prepare interim financial statements for the March and September quarters. Invexans therefore uses as the latest available information, the financial statements as of June and December to value this investment at equity value for the accounting closes as of March and September respectively. This has been approved by the Financial Market Commission in its resolution 10,914 dated April 30, 2012.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 13 – Investments recognized using the equity method (continued)

(d) Movements in investments in associates and joint ventures:

Movements during 2022 are as follows:

Company	Main activity	Country	Functional currency	Percentage interest	Balance as of 01/01/22	Share of profit (loss)	Dividends received	Other increase (decrease)	Balance as of 12/31/22
				%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Inversiones y Rentas S.A.	Investments	Chile	Ch\$	50.00	362,523,960	26,137,941	(25,792,694)	(2,139,778)	360,729,429
Nexans S.A. (1) and (2)	Manufacturing	France	EUR	29.02	400,982,759	65,248,599	(18,158,262)	(4,024,777)	444,048,319
Hapag-Lloyd A.G. (3)	Transport	Germany	USD	30.00	4,855,952,183	4,685,655,044	(1,244,332,446)	(449,327,580)	7,847,947,201
Transportes y Servicios Aéreos S.A.	Transport	Chile	Ch\$	50.00	144,437	6,604	-	(151,041)	-
Inmobiliaria El Norte y El Rosal S.A.	Real estate	Chile	Ch\$	50.00	20,802	(2,212)	-	-	18,590
Asfaltos Cono Sur S.A.	Bitumen	Chile	Ch\$	50.00	4,498,819	(1,088,429)	-	4,491	3,414,881
Sociedad Inversiones Aviación SIAV Ltda.	Fuel & lubricants	Chile	Ch\$	33.33	2,184,368	1,368,581	(1,383,899)	(3,724)	2,165,326
Enex Paraguay	Fuel distribution	Paraguay	PYG	50.00	10,248,624	(3,395,897)	-	16,607,251	23,459,978
Inmobiliaria Carriel Ltda.	Real estate	Chile	Ch\$	50.00	-	(1,746)	-	-	(1,746)
Inmobiliaria Sepbío Ltda.	Real estate	Chile	Ch\$	50.00	146,131	-	-	(146,131)	-
LNG Tugs Chile S.A.	Port services	Chile	USD	35.00	157,112	31,434	(25,322)	-	163,224
Muellaje ATI S.A. (4)	Port services	Chile	Ch\$	0.50	(6,758)	-	-	6,758	-
Muellaje del Maipo S.A.	Port services	Chile	USD	50.00	60,818	-	-	(60,818)	-
Muellaje STI S.A. (4)	Port services	Chile	Ch\$	0.50	3,379	-	-	(3,379)	-
Muellaje SVTI S.A. (4)	Port services	Chile	Ch\$	0.50	3,379	-	-	(3,379)	-
Portuaria Corral S.A.	Port services	Chile	Ch\$	50.00	3,780,832	-	-	(3,780,832)	-
San Antonio Terminal Internacional S.A.	Port services	Chile	USD	50.00	26,125,417	-	-	(26,125,417)	-
San Vicente Terminal Internacional S.A.	Port services	Chile	USD	50.00	34,832,482	-	-	(34,832,482)	-
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Port services	Chile	Ch\$	50.00	(6,758)	-	-	6,758	-
Transbordadora Austral Broom S.A.	Port services	Chile	Ch\$	25.00	22,760,174	1,448,334	(257,588)	17,927	23,968,847
Transportes Fluviales Corral S.A.	Port services	Chile	Ch\$	50.00	1,626,028	-	-	(1,626,028)	-
Equimac S.A.	Port services	Colombia	USD	50.00	2,315,295	(39,293)	(2,202,160)	(151,933)	(78,091)
Puerto Buenavista S.A.	Port services	Colombia	Ch\$	33.30	2,964,863	-	-	(2,964,863)	-
Total					5,731,318,346	4,775,368,960	(1,292,152,371)	(508,698,977)	8,705,835,958

- (1) The goodwill related to the acquisition of the associate Nexans S.A. is part of the value of the investment. The amount shown of ThCh\$ 444,048,319 is ThCh\$ 430,542,728 in equity and ThCh\$ 13,505,591 in goodwill.
(2) The market value of Invexan's investment in Nexans was 1,064,991,687 Euros as of December 31, 2022 and 1,082,646,967 Euros as of December 31, 2021, equivalent to ThCh\$ 975,469,947 and ThCh\$ 1,034,620,747, respectively.
(3) The market value of CSAV's investment in HLAG was 9,364,677,149 Euros as of December 31, 2022 and 14,605,943,526 Euros as of December 31, 2021, equivalent to ThCh\$ 10,022,128,798 and ThCh\$ 13,958,023,871, respectively.
(4) These include investments whose direct share is less than 20%, as the sum of direct and indirect shares exceeds 20% or because it has representation on the Board of Directors.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 13 – Investments recognized using the equity method (continued)

(d) Movements in investments in associates and joint ventures (continued)

Movements during 2021 are as follows:

Company	Main activity	Country	Functional currency	Percentage interest	Balance as of 01/01/22	Share of profit (loss)	Dividends received	Other increase (decrease)	Balance as of 12/31/21
				%	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Inversiones y Rentas S.A.	Investments	Chile	Ch\$	50	391,686,404	58,024,521	(87,235,792)	48,827	362,523,960
Nexans S.A. (1) and (2)	Manufacturing	France	EUR	28.88	310,094,216	40,304,721	(7,695,808)	58,279,630	400,982,759
Hapag-Lloyd A.G. (3)	Transport	Germany	USD	30	1,946,661,437	2,499,023,637	(174,754,549)	585,021,658	4,855,952,183
Transportes y Servicios Aéreos S.A.	Transport	Chile	Ch\$	50	144,879	(442)	-	-	144,437
Inmobiliaria El Norte y El Rosal S.A.	Real estate	Chile	Ch\$	50	23,865	(3,063)	-	-	20,802
Asfaltos Cono Sur S.A.	Bitumen	Chile	Ch\$	50	4,857,709	(335,084)	-	(23,806)	4,498,819
Sociedad Inversiones Aviación SIAV Ltda.	Fuel & lubricants	Chile	Ch\$	33.33	2,074,017	905,088	-	(794,737)	2,184,368
Enex Paraguay	Fuel distribution	Paraguay	PYG	50	9,227,874	(475,382)	-	1,496,132	10,248,624
Antofagasta Terminal Internacional S.A.	Port services	Chile	USD	35	-	-	-	-	-
Inmobiliaria Carriel Ltda.	Real estate	Chile	Ch\$	50	8,531	(8,061)	-	(470)	-
Inmobiliaria Sepbio Ltda.	Real estate	Chile	Ch\$	50	147,167	-	-	(1,036)	146,131
LNG Tugs Chile S.A.	Port services	Chile	USD	35	125,127	26,199	(19,109)	24,895	157,112
Muellaje ATI S.A. (4)	Port services	Chile	Ch\$	0.5	(5,688)	-	-	(1,070)	(6,758)
Muellaje del Maipo S.A.	Port services	Chile	USD	50	81,048	-	-	(20,230)	60,818
Muellaje STI S.A. (4)	Port services	Chile	Ch\$	0.5	711	-	-	2,668	3,379
Muellaje SVTI S.A. (4)	Port services	Chile	Ch\$	0.5	2,844	-	-	535	3,379
Portuaria Corral S.A.	Port services	Chile	Ch\$	50	3,800,739	-	(1,527,235)	1,507,328	3,780,832
San Antonio Terminal Internacional S.A.	Port services	Chile	USD	50	27,223,697	-	(12,231,793)	11,133,513	26,125,417
San Vicente Terminal Internacional S.A.	Port services	Chile	USD	50	27,751,933	-	-	7,080,549	34,832,482
Servicios Portuarios Reloncaví Ltda.	Port services	Chile	Ch\$	50	3,191,455	-	(630,428)	(2,561,027)	-
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Port services	Chile	Ch\$	50	(5,688)	-	-	(1,070)	(6,758)
Transbordadora Austral Broom S.A.	Port services	Chile	Ch\$	25	20,514,463	345,464	-	1,900,247	22,760,174
Transportes Fluviales Corral S.A.	Port services	Chile	Ch\$	50	1,352,227	-	-	273,801	1,626,028
Equimac S.A.	Port services	Colombia	USD	50	1,778,797	1,114,675	(920,698)	342,521	2,315,295
Puerto Buenavista S.A.	Port services	Colombia	Ch\$	33.3	2,880,058	-	-	84,805	2,964,863
Luckymont S.A.	Port services	Uruguay	USD	49	1,756,046	-	(1,009,094)	(746,952)	-
Total					2,755,373,868	2,598,922,273	(286,024,506)	663,046,711	5,731,318,346

(1)The goodwill related to the acquisition of the associate Nexans S.A. is part of the value of the investment. The amount shown of ThCh\$ 400,982,759 is ThCh\$ 393,018,198 in equity and ThCh\$ 7,964,561 in goodwill. (2) The market value of Invoxans' investment in Nexans was 1,082,646,967 Euros as of December 31, 2021, and 747,196,655 Euros as of December 31, 2020, equivalent to ThCh\$ 1,034,620,747 and ThCh\$ 637,132,797 respectively.

(3)The market value of CSAV's investment in HLAG was 14,605,943,526 Euros as of December 31, 2021, and 4,845,798,592 Euros as of December 31, 2020, equivalent to ThCh\$13,958,023,871 and ThCh\$4,156,468,771, respectively.

(4)These include investments whose direct share is less than 20%, as the sum of direct and indirect shares exceeds 20% or because it has representation on the Board of Directors.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 13 – Investments recognized using the equity method (continued)

(e) CSAV's investment in Hapag-Lloyd A.G.

CSAV has a 30% interest as of December 31, 2022, in Hapag-Lloyd AG (HLAG), headquartered in Hamburg, Germany, making it one of its main shareholders. In addition, with respect to its investment in HLAG, CSAV is party to a joint control agreement with the two other shareholders of this German company: the City of Hamburg, through its holding company HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV), which holds 13.86% of the share capital; and German businessman Klaus Michael Kühne, through Kühne Maritime GmbH (KM), who owns 29.77%; together, they hold approximately 73.63% of HLAG. By virtue of the above, based on CSAV's shareholding in HLAG and the existence and characteristics of the aforementioned joint control agreement, in accordance with IFRS 11, CSAV's investment in HLAG has been defined as a joint venture that must be accounted for using the equity method in accordance with IAS 28. This definition has remained unchanged since the date on which CSAV acquired its original interest in HLAG during the business combination of its container shipping business and HLAG in 2014.

Note 14 – Intangible assets other than goodwill

Intangible assets, net	12-31-2022	12-31-2021
	ThCh\$	ThCh\$
Intangible assets with finite life, net	54,625,781	174,239,091
Intangible assets with indefinite life, net (1)	195,449,301	196,605,756
Intangible assets, net	250,075,082	370,844,847

(1) Intangible assets with an indefinite useful life are the Banco de Chile brand and the contracts to use the Citibank, which are not amortized because they are trademarks without expiration and they are expected to generate net cash flows indefinitely for the business. They also include the brand Road Ranger acquired during the Road Ranger Group purchase by the subsidiary Enex in 2018. Intangible assets with indefinite useful lives are valued at acquisition cost less accumulated impairment and are not amortized. However, these assets are subject to an annual impairment test.

Method used to express the amortization of identifiable intangible assets	Useful life	Minimum useful life	Maximum useful life
Useful life for port concessions, tug boats and others	Years	5	20
Useful life for computer programs	Years	3	6
Useful life for other identifiable intangible assets	Years	5	10

(a) Intangible assets as of December 31, 2022 and 2021, are detailed as follows:

As of December 31, 2022	Gross Asset	Accumulated amortization/ Impairment losses	Net Asset
	ThCh\$	ThCh\$	ThCh\$
Patents, trademarks and other rights	197,916,192	(2,466,891)	195,449,301
Port, towage and other concessions	5,628,992	(2,753,302)	2,875,690
Computer programs	18,127,750	(14,240,263)	3,887,487
Other intangible assets	300,033,151	(252,170,547)	47,862,604
Total	521,706,085	(271,631,003)	250,075,082

As of December 31, 2021	Gross Asset	Accumulated amortization/ Impairment losses	Net Asset
	ThCh\$	ThCh\$	ThCh\$
Patents, trademarks and other rights	199,415,000	(2,809,244)	196,605,756
Port, towage and other concessions	282,272,738	(162,435,723)	119,837,015
Computer programs	19,789,516	(15,501,494)	4,288,022
Other intangible assets	299,755,849	(249,641,795)	50,114,054
Total	801,233,103	(430,388,256)	370,844,847



Notes to the Consolidated Financial Statements QUIÑENCO S.A.
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 14 – Intangible assets other than goodwill (continued)

(b) Movement of identifiable intangible assets

Movements in identifiable intangible assets during 2022 were as follows.

Movements	Patents, trademarks and other rights	Port, towage and other concessions	Computer programs	Other intangible assets	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance	196,605,756	119,837,015	4,288,022	50,114,054	370,844,847
Additions	58,049	-	2,145,819	-	2,203,868
Acquisitions through business combinations	-	184,866	-	2,945,236	3,130,102
Disposals	-	-	(109,148)	-	(109,148)
Transfers to discontinued operations	(53,215)	(117,008,993)	(1,034,746)	-	(118,096,954)
Repayment	(1,398,056)	(391,281)	(1,390,661)	(5,359,579)	(8,539,577)
Increase (decrease) in currency translation	256,850	17,866	22,255	-	296,971
Other increases (decreases)	(20,083)	236,217	(34,054)	162,893	344,973
Closing balance	195,449,301	2,875,690	3,887,487	47,862,604	250,075,082

Movements in identifiable intangible assets during 2021 were as follows.

Movements	Patents, trademarks and other rights	Port, towage and other concessions	Computer programs	Other intangible assets	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance	194,731,404	115,214,236	3,531,051	40,116,644	353,593,335
Additions	162,121	417,860	1,837,156	-	2,417,137
Acquisitions through business combinations	-	-	81,441	8,797,902	8,879,343
Disposals	(761)	-	(277,051)	-	(277,812)
De-recognition	-	-	(761)	-	(761)
Amortization	(1,179,632)	(18,805,093)	(1,376,350)	(4,514,262)	(25,875,337)
Increase (decrease) in currency translation	2,929,919	22,767,391	579,305	5,713,770	31,990,385
Other increases (decreases)	(37,295)	242,621	(86,769)	-	118,557
Closing balance	196,605,756	119,837,015	4,288,022	50,114,054	370,844,847

The subsidiary TechPack recognizes the amortization of identifiable intangible assets under Administrative expenses in the consolidated statement of comprehensive income. The subsidiary LQIF recognizes the amortization of its intangible assets under Other expenses by function.



Note 15 – Goodwill

Movements in goodwill during 2022 and 2021 were as follows.

Movements	Banco de Chile and SM-Chile ThCh\$	Merger Banco de Chile - Citibank ThCh\$	Merger Citigroup Chile II S.A. LQIF ThCh\$	Enex ThCh\$	SM SAAM ThCh\$	Other ThCh\$	Total ThCh\$
As of December 31, 2022							
Opening balance as of 01/01/2022	514,466,490	108,438,209	31,868,173	280,399,069	58,114,672	72,562	993,359,175
Acquisitions through business combinations (1)	-	-	-	-	5,712,010	-	5,712,010
Increase (decrease) in currency translation	-	-	-	1,133,510	1,730,717	-	2,864,227
Other increases (decreases)	-	-	-	-	462,785	-	462,785
Closing balances as of 12/31/22	514,466,490	108,438,209	31,868,173	281,532,579	66,020,184	72,562	1,002,398,197
As of December 31, 2021							
Opening balance as of 1/1/2021	514,466,490	108,438,209	31,868,173	266,830,910	42,472,864	72,562	964,149,208
Acquisitions through business combinations (2)	-	-	-	-	13,355,548	-	13,355,548
Increase (decrease) in currency translation	-	-	-	13,568,159	2,286,260	-	15,854,419
Closing balances as of 12/31/21	514,466,490	108,438,209	31,868,173	280,399,069	58,114,672	72,562	993,359,175

(1) On April 4, 2022, SAAM Towage Canada Inc. acquired a 100% interest in Canada Standard Towing Ltd. and Davies Tugboat Ltd.

(2) On January 29, 2021, SM SAAM's subsidiary SAAM S.A. acquired a 70% interest in International Tug S.A.S. (Intertug Colombia), Intertug México S.A. de C.V., Baru Offshore de México, S.A.P.I. de C.V. and EOP Crew Management de México S.A. de C.V.

The indirect subsidiary Enex has goodwill associated with two cash generating units (CGUs).

- Enex S.A.
- Road Ranger

Goodwill is the excess acquisition cost over the fair value of the Company's share of the net identifiable assets of the acquired company on the acquisition date. Goodwill related to acquiring subsidiaries is not amortized, but is tested for impairment annually or whenever there are indications of impairment. Gains and losses on the sale of an entity include the book value of any goodwill relating to the entity sold.

The indirect subsidiary Enex tests goodwill for impairment at least once a year.

Movements in purchased goodwill at Enex during the years ended December 31, 2022 and 2021, are detailed as follows:

	December 31, 2022 ThCh\$	12/31/21 ThCh\$
Enex S.A.	135,312,322	135,311,736
Inversiones Enex S.A.	2,567	2,534
Enex Trading S.A.	7,037,737	7,037,957
Gaspeza	342,344	342,944
Petrans S.A.	52,006,333	52,005,874
Subtotal Enex S.A.	194,701,303	194,701,045
Road Ranger, LLC	86,831,276	85,698,024
Total	281,532,579	280,399,069



Note 16 – Transactions with non-controlling interests

- **Shareholding increase in CSAV**

During the first half of 2021, Quiñenco acquired 2,409,394,428 shares in CSAV, increasing its direct and indirect interest in CSAV from 61.76% to 66.45%. This transaction has been recognized as a charge to Other reserves, as the counterparties are non-controlling interests. There were no other changes in ownership interests during 2022.

- **Shareholding increase in SM SAAM**

During the third quarter of 2021, Quiñenco acquired 363,821,154 shares in SM SAAM, increasing its direct and indirect shareholding in that company from 52.20% to 59.73%. This transaction has been recognized as a credit to Other reserves, as the counterparties are non-controlling interests. As of December 31, 2022, there were no other changes in ownership interests.

During the third quarter of 2022, Quiñenco acquired 28,526,214 shares in SM SAAM, increasing its direct and indirect shareholding in that company from 59.73% to 60.02%. This transaction has been recognized as a credit to Other reserves, as the counterparties are non-controlling interests.

The net accounting effects of these transactions with non-controlling interests on only Quiñenco’s interest as of December 31, 2022 and 2021, are as follows.

	Shareholding increase in SM SAAM	Total
	12/31/22	12/31/22
	ThCh\$	ThCh\$
Equity value	135,655	135,655
Net effect on equity	135,655	135,655

	Shareholding increase in CSAV	Shareholding increase in SM SAAM	Total
	12/31/21	12/31/21	12/31/21
	ThCh\$	ThCh\$	ThCh\$
Equity value	(1,857,840)	8,945,176	7,087,336
Net effect on equity	(1,857,840)	8,945,176	7,087,336



Note 17 – Property, plant and equipment

(a) Property, plant and equipment is detailed as follows.

As of December 31, 2022 and 2021, these are detailed as follows.

	Gross Asset ThCh\$	Accumulated Depreciation ThCh\$	Net Asset ThCh\$
As of December 31, 2022			
Construction in progress	80,847,103	-	80,847,103
Land	132,971,751	-	132,971,751
Buildings	193,306,176	(44,613,519)	148,692,657
Plant and equipment	391,985,592	(177,697,933)	214,287,659
IT equipment	21,943,775	(17,604,726)	4,339,049
Fixtures and fittings	30,730,573	(22,670,967)	8,059,606
Vessels	877,044,567	(359,557,396)	517,487,171
Motor vehicles	16,674,416	(12,901,994)	3,772,422
Other property, plant and equipment	18,959,650	(13,599,051)	5,360,599
Total	<u>1,764,463,603</u>	<u>(648,645,586)</u>	<u>1,115,818,017</u>
As of December 31, 2021			
Construction in progress	53,913,184	-	53,913,184
Land	158,140,254	-	158,140,254
Buildings	249,337,379	(77,459,184)	171,878,195
Plant and equipment	469,919,630	(217,702,799)	252,216,831
IT equipment	25,989,507	(21,610,357)	4,379,150
Fixtures and fittings	27,881,907	(20,846,184)	7,035,723
Vessels	795,351,464	(306,197,081)	489,154,383
Motor vehicles	20,530,333	(15,718,668)	4,811,665
Other property, plant and equipment	21,694,081	(15,357,119)	6,336,962
Total	<u>1,822,757,739</u>	<u>(674,891,392)</u>	<u>1,147,866,347</u>

Property, plant and equipment are assets used in company businesses, where there is no intention to dispose of them. These assets are valued using the cost method, and are not revalued. As of December 31, 2022 and 2021, property, plant and equipment represents less than 3% of total consolidated assets. Accordingly, presenting the fair value of these assets is not considered important information for the users of these consolidated financial statements, which is recommended but not required by paragraph 79 of IAS 16.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 17 – Property, plant and equipment (continued)

(b) Movement

Movements during 2022 are as follows:

	Construction in progress	Land	Buildings, net	Plant and equipment, net	Computer equipment, net	Fixtures and fittings, net	Vessels, net	Motor vehicles, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2022	53,913,184	158,140,254	171,878,195	252,216,831	4,379,150	7,035,723	489,154,383	4,811,665	6,336,962	1,147,866,347
Additions	143,795,218	-	492,165	253,222	1,353,423	215,197	22,058,273	96,050	151,953	168,415,501
Acquisitions through business combinations	-	-	-	-	-	-	27,677,186	-	-	27,677,186
Disposals	-	(657,936)	(2,715)	(347,521)	-	(7,431)	-	(128,410)	(905)	(1,144,918)
Transfers to (from) non-current assets and disposal groups held for sale	-	(1,870,352)	(48,025)	-	-	-	-	-	(33,465)	(1,951,842)
Transfers to discontinued operations	(6,712,752)	(49,598,509)	(46,265,032)	(47,761,306)	(755,997)	-	(13,119,198)	(769,513)	(1,923,602)	(166,905,909)
Transfers to (from) property, plant and equipment	(109,548,621)	16,072,195	25,822,910	30,483,515	859,016	2,713,076	28,798,243	917,482	2,360,125	(1,522,059)
De-recognition	-	(364,596)	(856)	(274,731)	(856)	-	-	-	(5,135)	(646,174)
Depreciation expense	-	-	(8,282,595)	(21,707,679)	(1,505,936)	(1,940,871)	(52,993,400)	(1,193,493)	(1,816,527)	(89,440,501)
Impairment loss recognized in statement of net income	-	-	(27,942)	-	(26,195)	-	-	-	-	(54,137)
Increases (decreases) in exchange differences	(87,369)	11,250,695	5,126,242	655,298	26,839	42,230	15,911,684	60,056	297,184	33,282,859
Other increases (decreases)	(512,557)	-	310	770,030	9,605	1,682	-	(21,415)	(5,991)	241,664
Closing balance as of December 31, 2022	80,847,103	132,971,751	148,692,657	214,287,659	4,339,049	8,059,606	517,487,171	3,772,422	5,360,599	1,115,818,017

Movements during 2021 are as follows:

	Construction in progress	Land	Buildings, net	Plant and equipment, net	Computer equipment, net	Fixtures and fittings, net	Vessels, net	Motor vehicles, net	Other property, plant and equipment, net	Property, plant and equipment, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2021	40,871,805	138,662,082	149,447,198	238,040,989	4,715,121	7,844,041	364,729,275	6,264,975	5,946,932	956,522,418
Additions	53,605,189	1,233,935	6,956,258	14,352,668	684,157	59,352	21,696,011	63,174	615,255	99,265,999
Acquisitions through business combinations	-	363,820	531,269	261,068	8,372	-	49,084,513	-	75,352	50,324,394
Disposals	(761)	-	-	(159,837)	-	(1,300)	(1,199,541)	(6,850)	(1,236)	(1,369,525)
Transfers to (from) non-current assets and disposal groups held for sale	-	(344,031)	(1,039,116)	(54,040)	2,283	-	-	15,223	-	(1,419,681)
Transfers to (from) property, plant and equipment	(43,513,439)	2,643,880	2,641,266	13,897,235	320,479	1,349,815	22,097,126	521,692	666,778	624,832
De-recognition	(26,640)	(473,871)	(97,815)	(764,421)	(2,522)	(845)	-	(43,255)	(15,640)	(1,425,009)
Depreciation expense	-	-	(10,456,316)	(24,240,144)	(1,814,823)	(2,171,933)	(42,145,775)	(2,434,170)	(1,754,995)	(85,018,156)
Increases (decreases) in exchange differences	3,022,642	16,054,439	23,896,296	14,645,813	469,128	(42,562)	74,834,928	431,721	796,144	134,108,549
Other increases (decreases)	(45,612)	-	(845)	(3,762,500)	(3,045)	(845)	57,846	(845)	8,372	(3,747,474)
Closing balance as of December 31, 2021	53,913,184	158,140,254	171,878,195	252,216,831	4,379,150	7,035,723	489,154,383	4,811,665	6,336,962	1,147,866,347

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 18 – Right-of-use assets and lease liabilities

The Company and its subsidiaries adopted IFRS 16 "Leases" on January 1, 2019, recognizing assets and liabilities at the present value of all future payments under lease contracts. These flows are discounted at an incremental borrowing rate according to the lease term and the nature of the right-of-use asset. Right-of-use assets recognized at the initial application date are depreciated over the shorter of the non-cancelable period of the lease contract or the useful life of the asset.

(a) Right-of-use assets

Movements in right-of-use assets subject to IFRS 16 for 2022 by class of underlying asset are as follows:

	ENEX	SM SAAM	CSAV	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of January 1, 2022	228,114,447	56,998,836	-	285,113,283
Additions	15,672,508	21,003,472	2,384,423	39,060,403
Contract amendments	4,408,535	-	-	4,408,535
Amortization for the year	(25,377,294)	(10,847,515)	(261,037)	(36,485,846)
Transfers to discontinued operations	-	(27,861,254)	-	(27,861,254)
Increase (decrease) in currency translation	1,072,212	(599,477)	-	472,735
Debt revaluation adjustment	24,576,020	-	140,361	24,716,381
Other	-	11,351	33,378	44,729
Closing balance as of December 31, 2022	248,466,428	38,705,413	2,297,125	289,468,966

Movements in right-of-use assets subject to IFRS 16 for 2021 by class of underlying asset are as follows:

	ENEX	SM SAAM	CSAV	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of January 1, 2021	213,826,744	53,208,920	-	267,035,664
Additions	9,146,303	8,395,264	-	17,541,567
Acquisitions through business combinations	-	86,008	-	86,008
Contract amendments	7,941,775	-	-	7,941,775
Amortization for the year	(19,984,659)	(13,047,290)	-	(33,031,949)
Increase (decrease) in currency translation	5,884,021	9,008,984	-	14,893,005
Debt revaluation adjustment	11,300,263	-	-	11,300,263
Other	-	(653,050)	-	(653,050)
Closing balance as of December 31, 2021	228,114,447	56,998,836	-	285,113,283

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 18 – Right-of-use assets and lease liabilities (continued)

(b) Lease liabilities

A maturity analysis of lease liabilities is as follows:

As of December 31, 2022

Company	Total Debt Outstanding	Current Debt as of 12/31/2022	Up to 3 months	3 to 12 months	Non-current 12/31/22	1 to 3 Years	3 to 5 Years	Over 5 Years
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Enex	253,877,176	23,751,827	5,926,831	17,824,996	230,125,349	45,945,988	43,173,002	141,006,359
SM SAAM	34,712,024	9,282,658	2,432,354	6,850,304	25,429,366	10,732,485	9,140,586	5,556,295
CSAV	1,414,102	247,124	61,622	185,502	1,166,978	367,164	413,380	386,434
Total	290,003,302	33,281,609			256,721,693			

As of December 31, 2021

Company	Total Debt Outstanding	Current Debt as of 12/31/21	Up to 3 months	3 to 12 months	Non-current 12/31/21	1 to 3 Years	3 to 5 Years	Over 5 Years
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Enex	232,034,654	21,064,035	5,222,719	15,841,316	210,970,619	39,567,814	38,370,043	133,032,762
SM SAAM	44,770,839	13,362,996	3,529,960	9,833,036	31,407,843	17,964,600	6,223,678	7,219,565
Total	276,805,493	34,427,031			242,378,462			

As of December 31, 2022 and 2021, the liquidity risk associated with these maturities is covered by the operating cash flows of the respective subsidiaries. There are no restrictions associated with these leases.

Subsidiaries have specific contracts that contain renewal options and it is reasonably certain that this option will be exercised indefinitely, or for an indicated period. The lease term used to measure the asset and liability is the shorter of that period or the useful life of the asset.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 19 – Investment properties

(a) Investment properties as of December 31, 2022 and 2021, are detailed as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Land	4,122,935	4,510,030
Buildings	<u>11,521,189</u>	<u>13,710,141</u>
Total	<u>15,644,124</u>	<u>18,220,171</u>

(b) Movements

Movements in investment properties during 2022 and 2021 are detailed as follows.

As of December 31, 2022	Land	Buildings	Total
Movements	ThCh\$	ThCh\$	ThCh\$
Opening balance, net	4,510,030	13,710,141	18,220,171
Additions	-	56,682	56,682
Disposals	-	(5,889)	(5,889)
Disposals through business divestments	(386,973)	(634,320)	(1,021,293)
Depreciation expense	-	(213,431)	(213,431)
Increase (decrease) in exchange differences	(122)	(1,391,994)	(1,392,116)
Closing Net Balance	<u>4,122,935</u>	<u>11,521,189</u>	<u>15,644,124</u>

As of December 31, 2021	Land	Buildings	Total
Movements	ThCh\$	ThCh\$	ThCh\$
Opening balance, net	3,892,090	11,685,678	15,577,768
Additions	386,973	499,952	886,925
Transfers to (from) non-current assets and disposal groups held for sale	-	135,240	135,240
Disposals	-	(2,344)	(2,344)
Depreciation expense	-	(203,137)	(203,137)
Increase (decrease) in exchange differences	230,967	1,594,752	1,825,719
Closing Net Balance	<u>4,510,030</u>	<u>13,710,141</u>	<u>18,220,171</u>

(c) Revenue from rentals and direct operating expenses of investment properties during 2022 and 2021 are detailed as follows.

	01/01/22	01/01/21
	12/31/22	12/31/21
	ThCh\$	ThCh\$
Revenue from rental of investment properties	464,297	795,056
Direct operating expenses	(418,272)	(403,049)

(d) The fair values of investment properties do not vary significantly from their book values.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 20 – Current and deferred taxes

(a) Deferred taxes

Deferred tax assets and liabilities as of December 31, 2022 and 2021, are detailed as follows.

Deferred taxes	12/31/22		12/31/21	
	Asset	Liabilities	Asset	Liabilities
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Depreciation	-	26,689,138	-	45,056,610
Amortization	-	-	-	5,017,459
Provisions	26,508,397	3,650,243	18,879,394	-
Post-employment benefits	1,475,503	-	1,287,308	-
Revaluations of property, plant and equipment	7,879,906	47,692,078	8,566,359	41,773,634
Intangible assets	-	48,362,462	-	54,450,143
Lease obligations	10,534,781	-	11,312,933	14,546,406
Port and towage concession assets	-	-	6,786,239	-
Revaluations of financial instruments	180,586	-	135,150	6,828,474
Tax losses (1)	460,712,570	-	233,879,490	-
Unrealized gains (losses)	-	3,894,163	9,255,268	11,836,641
Tax credits	1,685,188	-	3,051,020	-
Fair value adjustments	-	20,811,681	-	22,332,739
Deferred tax assets related to others	7,771,095	-	4,153,376	-
Deferred tax liabilities related to others	-	28,544,980	-	6,691,743
Total	516,748,026	179,644,745	297,306,537	208,533,849

(1) In the context of an audit of the tax loss carryforward declared by the subsidiary CSAV for the tax year 2020, on November 8 and 17, 2022, the Chilean Internal Revenue Service ("SII") issued requests for new information, specifically background information regarding the origin of the referred tax loss carryforward as of said date. This request was also extended to the corporate structure of CSAV's investment in Germany, CSAV's influence in the administration or management of Hapag-Lloyd and the way in which the subsidiary recognizes foreign source income, in light of Article 41 G of the Income Tax Law. As of the reporting date, this audit is in progress and CSAV is awaiting the issuance of a formal pronouncement by the SII regarding the audit. CSAV has fully and promptly responded with all the information requested by the SII.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 20 – Current and deferred taxes (continued)

b) Income tax benefit (expense)

This account is detailed as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Current tax expense	(88,304,082)	(38,662,954)
Fair value adjustments	1,593,000	1,094,394
Tax loss benefits	9,090,272	18,207,311
Adjustment for deferred tax assets and liabilities	245,487,684	16,129,085
Other	(4,625,832)	(1,549,672)
Net income tax (expense) income	163,241,042	(4,781,836)

(d) Reconciliation of applicable taxation

The reconciliation of the income tax expense from the financial result before tax is as follows:

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Income tax (expense) using the statutory rate (27% 2022-2021)	(1,247,479,707)	(682,788,073)
Tax effect of rates in other jurisdictions	196,195,411	(3,003,841)
Net tax effect of non-taxable revenue	1,291,025,241	704,145,213
Tax effect of expenses disallowed for tax purposes	(67,818,770)	(20,531,504)
Tax effect of a tax benefit previously unrecognized in the statement of net income	1,847,177	452,800
Tax rate effect of reassessment of unrecognized deferred tax assets	(1,578,724)	(63,215)
Other increases in charge for statutory taxes	(8,967,272)	(3,012,288)
Income tax expense from discontinued operations	17,686	19,072
Income tax benefit (expense) using the effective rate	163,241,042	(4,781,836)

Note 21 – Other current and non-current financial liabilities

As of December 31, 2022 and 2021, these are as follows.

	Current		Non-current	
	12/31/22	12/31/21	12/31/22	12/31/21
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Bank loans	535,759,807	394,189,259	435,083,278	536,285,204
Bonds payable	62,743,122	56,062,791	1,544,319,227	1,406,717,940
Concession liabilities	79,595	3,574,728	-	29,914,696
Finance leases	3,693,036	2,395,541	737,751	3,827,290
Hedging liabilities	373,155	161,336	1,360,817	28,244,539
Options	-	-	21,141,454	16,648,840
Total	602,648,715	456,383,655	2,002,642,527	2,021,638,509

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2022, are detailed as follows.

(a.1) Book values

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective Interest Rate	Nominal Interest Rate	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over 5 years	Over	Total debt	
								12/31/22 ThCh\$	months ThCh\$	months ThCh\$	12/31/22 ThCh\$	under 2 years ThCh\$	under 3 years ThCh\$	under 4 years ThCh\$	under 5 years ThCh\$	5 years ThCh\$	not yet due ThCh\$		
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	Semi-annual	6.05%	LB 6M+2.5%	4,373,117	4,373,117	-	-	-	-	-	-	-	-	-	4,373,117
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Security	USD	Semi-annual	4.17%	4.17%	29,979,920	-	29,979,920	-	-	-	-	-	-	-	-	29,979,920
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	At maturity	4.00%	4.00%	132,589,831	-	132,589,831	-	-	-	-	-	-	-	-	132,589,831
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Scotiabank Chile	USD	At maturity	4.00%	4.00%	132,589,831	-	132,589,831	-	-	-	-	-	-	-	-	132,589,831
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	At maturity	4.00%	4.00%	19,917,574	-	19,917,574	-	-	-	-	-	-	-	-	19,917,574
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Scotiabank Chile	USD	At maturity	4.00%	4.00%	19,916,718	-	19,916,718	-	-	-	-	-	-	-	-	19,916,718
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	5.12%	Libor 180 + 1.15%	30,811	30,811	-	25,477,240	25,477,240	-	-	-	-	-	-	25,508,051
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	5.12%	Libor 180 + 1.15%	17,973	17,973	-	14,862,009	14,862,009	-	-	-	-	-	-	14,879,982
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	5.12%	Libor 180 + 1.15%	10,270	10,270	-	8,492,699	8,492,699	-	-	-	-	-	-	8,502,969
92.048.000-4	SAAM S.A.	Chile	Banco Scotiabank	USD	Semi-annual	3.55%	Libor 180 + 1.11%	9,104,639	-	9,104,639	55,495,674	55,495,674	-	-	-	-	-	-	64,600,313
96.885.450-K	Aerosan Airport Services S.A.	Chile	Banco Santander	USD	Monthly	4.20%	4.20%	357,749	357,749	-	-	-	-	-	-	-	-	-	357,749
Foreign	Ecuastibas S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.09%	3.09%	608,516	9,414	599,102	1,797,306	599,102	599,102	599,102	599,102	-	-	-	2,405,822
Foreign	Saam Remolcadores S.A. de C.V.	Mexico	Santander México	USD	At maturity	7.30%	SOFR 1 month + 2.95%	856,716	856,716	-	-	-	-	-	-	-	-	-	856,716
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	2.90%	2.90%	5,203,629	2,636,049	2,567,580	7,702,740	5,135,160	2,567,580	-	-	-	-	-	12,906,369
Foreign	Baru Offshore De México SAPI de CV	Mexico	Santander México	USD	Quarterly	3.40%	3.40%	257,614	257,614	-	-	-	-	-	-	-	-	-	257,614
Foreign	Baru Offshore De México SAPI de CV	Mexico	Santander México	USD	Quarterly	7.30%	SOFR 1 month + 2.95%	171,172	171,172	-	-	-	-	-	-	-	-	-	171,172
Foreign	SAAM Towage El Salvador S.A. de C.V.	El Salvador	Banco Crédito e Inversiones	USD	Semi-annual	5.97%	Libor 180 + 2.80%	1,792,171	1,058,699	733,472	10,608,384	1,453,250	1,453,250	7,701,884	-	-	-	-	12,400,555
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	6.29%	Canada BA + 1.60%	742,031	184,010	558,021	11,999,158	760,860	780,544	801,085	821,626	8,835,043	-	-	12,741,189
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.87%	Canada BA + 1.60%	10,400,410	200,271	10,200,139	-	-	-	-	-	-	-	-	10,400,410
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.59%	Canada BA + 1.45%	9,183,378	289,281	8,894,097	-	-	-	-	-	-	-	-	9,183,378
Foreign	Ian Taylor Perú	Peru	BBVA - Peru	USD	Monthly	5.86%	5.86%	374,867	98,424	276,443	1,309,465	421,083	413,380	437,344	37,658	-	-	-	1,684,332
Foreign	Ian Taylor Perú	Peru	Banco de Crédito del Perú	USD	Monthly	5.93%	5.93%	91,577	23,964	67,613	463,021	95,000	100,136	106,127	112,974	48,784	-	-	554,598
Foreign	Ian Taylor Perú	Peru	BBVA - Peru	PEN	Monthly	1.30%	1.30%	293,560	110,406	183,154	-	-	-	-	-	-	-	-	293,560
Foreign	Ian Taylor Perú	Peru	Banco de Crédito del Perú	PEN	Monthly	1.18%	1.18%	172,028	103,559	68,469	-	-	-	-	-	-	-	-	172,028
Foreign	Saam Towage Colombia SAS	Colombia	Banco de Occidente	USD	Semi-annual	2.53%	Libor 180 + 1.65%	609,372	609,372	-	-	-	-	-	-	-	-	-	609,372
SUBTOTAL								379,645,474			138,207,696								517,853,170

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2022, are detailed as follows. (continued)

(a.1) Book values (continued)

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective Interest Rate	Nominal Interest Rate	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over 5 years	Total debt	
								12/31/22	months	months	12/31/22	under 2 years	under 3 years	under 4 years	under 5 years	Over 5 years	Total debt not yet due	
							ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Foreign	Saam Towage Colombia SAS	Colombia	Itaú Corpbanca New York Branch	USD	Monthly	6.58%	SOFR 30 + 2.5%	2,217,534	612,796	1,604,738	17,652,113	2,139,650	2,139,650	2,139,650	11,233,163	-	19,869,647	
Foreign	Aerosan SAS	Colombia	Banco de Bogotá Miami	COP	Quarterly	7.27%	DTF + 3.5%	577,705	144,640	433,065	2,026,676	506,669	506,669	506,669	506,669	-	2,604,381	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,088,654	279,010	809,644	3,600,602	1,080,095	1,080,095	1,080,095	360,317	-	4,689,256	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,306,898	334,641	972,257	4,319,525	1,295,772	1,295,772	1,295,772	432,209	-	5,626,423	
Foreign	SAAM Towage Brasil	Brazil	BNDES	BRL	Monthly	8.79%	TJLP + 3.70%	332,073	89,009	243,064	1,080,951	324,371	324,371	324,371	107,838	-	1,413,024	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	2.60%	2.60%	954,284	249,055	705,229	9,157,701	940,590	940,590	940,590	940,590	5,395,341	10,111,985	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.60%	3.60%	678,697	179,731	498,966	6,509,670	665,003	665,003	665,003	665,003	3,849,658	7,188,367	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	350,903	88,154	262,749	170,316	132,658	37,658	-	-	-	521,219	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	427,930	107,838	320,092	209,685	163,469	46,216	-	-	-	637,615	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	BRL	Monthly	8.89%	TJLP + 3.80%	106,127	27,388	78,739	50,496	39,370	11,126	-	-	-	156,623	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.50%	3.50%	1,038,158	273,019	765,139	5,195,931	1,021,041	1,021,041	1,021,041	1,021,041	1,111,767	6,234,089	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.60%	3.60%	704,373	185,722	518,651	3,610,874	691,535	691,535	691,535	691,535	844,734	4,315,247	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	4.40%	4.40%	244,776	92,433	152,343	-	-	-	-	-	-	244,776	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,023,608	273,019	750,589	8,985,673	1,000,500	1,000,500	1,000,500	1,000,500	4,983,673	10,009,281	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.80%	3.80%	3,026,321	765,139	2,261,182	1,004,780	1,004,780	-	-	-	-	4,031,101	
91.021.000-9	Invexans S.A.	Chile	Banco Scotiabank	USD	Maturity	6.15%	5.88%	4,310,229	-	4,310,229	-	-	-	-	-	-	4,310,229	
91.021.000-9	Invexans S.A.	Chile	HSBC Bank	USD	Semi-annual	5.26%	5.21%	136,298	136,298	-	8,545,762	4,272,881	4,272,881	-	-	-	8,682,060	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Status	Ch\$	Maturity	1.45%	1.45%	406,534	406,534	-	57,216,809	28,608,405	28,608,404	-	-	-	57,623,343	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	11.50%	10.72%	301,263	301,263	-	19,999,736	-	-	9,999,868	9,999,868	-	20,300,999	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	8.62%	8.49%	55,071,167	20,571,450	34,499,717	-	-	-	-	-	-	55,071,167	
Foreign	Road Ranger, LLC	USA	Scotiabank	USD	Maturity	1.66%	1.52%	60,065,111	154,911	59,910,200	-	-	-	-	-	-	60,065,111	
Foreign	Road Ranger, LLC	USA	Citibank	USD	Maturity	1.75%	1.75%	20,540,640	20,540,640	-	-	-	-	-	-	-	20,540,640	
Foreign	Road Ranger, LLC	USA	BCI	USD	Maturity	3.88%	3.77%	109,550	109,550	-	44,835,082	-	-	22,417,541	22,417,541	-	44,944,632	
Foreign	ENEX Corp Ltd	UK	Scotiabank	USD	Maturity	2.69%	2.53%	786,535	786,535	-	85,586,000	42,793,000	42,793,000	-	-	-	86,372,535	
Foreign	ENEX Corp Ltd	UK	Scotiabank	USD	Maturity	2.72%	2.58%	308,965	308,965	-	17,117,200	8,558,600	8,558,600	-	-	-	17,426,165	
SUBTOTAL								156,114,333			296,875,582						452,989,915	
TOTAL								535,759,807			435,083,278							970,843,085

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2022, are detailed as follows. (continued)

(a.2) Undiscounted values

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective Interest Rate	Nominal Interest Rate	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years under 3 years	Over 3 years under 4 years	Over 4 years under 5 years	Over 5 years	Total undiscounted	
								12/31/22 ThCh\$	months ThCh\$	months ThCh\$	12/31/22 ThCh\$	under 2 years ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	Semi-annual	6.05%	LB 6M+2.5%	4,411,958	4,411,958	-	-	-	-	-	-	-	-	4,411,958
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Security	USD	Semi-annual	4.17%	4.17%	30,586,725	-	30,586,725	-	-	-	-	-	-	-	30,586,725
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	At maturity	4.00%	4.00%	135,340,565	-	135,340,565	-	-	-	-	-	-	-	135,340,565
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Scotiabank Chile	USD	At maturity	4.00%	4.00%	135,340,565	-	135,340,565	-	-	-	-	-	-	-	135,340,565
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	At maturity	4.00%	4.00%	20,373,747	-	20,373,747	-	-	-	-	-	-	-	20,373,747
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Scotiabank Chile	USD	At maturity	4.00%	4.00%	20,373,747	-	20,373,747	-	-	-	-	-	-	-	20,373,747
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	5.12%	Libor 180 + 1.15%	1,022,753	510,093	512,660	26,701,976	26,701,976	-	-	-	-	-	27,724,729
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	5.12%	Libor 180 + 1.15%	597,390	297,839	299,551	15,575,796	15,575,796	-	-	-	-	-	16,173,186
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	5.12%	Libor 180 + 1.15%	341,488	170,316	171,172	8,900,944	8,900,944	-	-	-	-	-	9,242,432
92.048.000-4	SAAM S.A.	Chile	Banco Scotiabank	USD	Semi-annual	3.55%	Libor 180 + 1.11%	11,393,208	-	11,393,208	57,223,655	57,223,655	-	-	-	-	-	68,616,863
96.885.450-K	Aerosan Airport Services S.A.	Chile	Banco Santander	USD	Monthly	4.20%	4.20%	360,317	360,317	-	-	-	-	-	-	-	-	360,317
Foreign	Ecuastibas S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.09%	3.09%	669,282	9,414	659,868	1,871,765	641,039	622,210	608,516	-	-	-	2,541,047
Foreign	Saam Remolcadores S.A. de C.V.	Mexico	Santander México	USD	At maturity	7.30%	SOFR 1 month + 2.95%	861,851	861,851	-	-	-	-	-	-	-	-	861,851
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	2.90%	2.90%	5,421,873	2,665,148	2,756,725	7,819,137	5,244,710	2,574,427	-	-	-	-	13,241,010
Foreign	Baru Offshore De México SAPI de CV	Mexico	Santander México	USD	Quarterly	3.40%	3.40%	259,326	259,326	-	-	-	-	-	-	-	-	259,326
Foreign	Baru Offshore De México SAPI de CV	Mexico	Santander México	USD	Quarterly	7.30%	SOFR 1 month + 2.95%	172,884	172,884	-	-	-	-	-	-	-	-	172,884
Foreign	SAAM Towage El Salvador S.A. de C.V.	El Salvador	Banco Crédito e Inversiones	USD	Semi-annual	5.97%	Libor 180 + 2.80%	2,001,857	1,096,357	905,500	11,221,181	1,781,045	1,737,396	7,702,740	-	-	-	13,223,038
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	6.29%	Canada BA + 1.60%	770,274	186,577	583,697	16,606,251	858,428	935,455	1,019,329	1,110,050	12,682,989	-	17,376,525
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.87%	Canada BA + 1.60%	10,715,367	201,983	10,513,384	-	-	-	-	-	-	-	10,715,367
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.59%	Canada BA + 1.45%	9,340,856	290,992	9,049,864	-	-	-	-	-	-	-	9,340,856
Foreign	Ian Taylor Perú	Peru	BBVA - Peru	USD	Monthly	5.86%	5.86%	491,264	112,974	378,290	1,398,476	453,606	453,606	453,606	37,658	-	-	1,889,740
Foreign	Ian Taylor Perú	Peru	Banco de Crédito del Perú	USD	Monthly	5.93%	5.93%	105,271	29,955	75,316	528,920	119,820	119,820	119,820	119,820	49,640	-	634,191
Foreign	Ian Taylor Perú	Peru	BBVA - Peru	PEN	Monthly	1.30%	1.30%	294,416	110,406	184,010	-	-	-	-	-	-	-	294,416
Foreign	Ian Taylor Perú	Peru	Banco de Crédito del Perú	PEN	Monthly	1.18%	1.18%	172,884	103,559	69,325	-	-	-	-	-	-	-	172,884
Foreign	Saam Towage Colombia SAS	Colombia	Banco de Occidente	USD	Semi-annual	2.53%	Libor 180 + 1.65%	614,507	614,507	-	-	-	-	-	-	-	-	614,507
SUBTOTAL								392,034,375			147,848,101							539,882,476

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2022, are detailed as follows. (continued)

(a.2) Undiscounted values (continued)

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective Interest Rate	Nominal Interest Rate	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years under 3 years	Over 3 years under 4 years	Over 4 years under 5 years	Over 5 years	Total	
								12/31/22 ThCh\$	months ThCh\$	months ThCh\$	12/31/22 ThCh\$	under 2 years ThCh\$	under 3 years ThCh\$	under 4 years ThCh\$	under 5 years ThCh\$	ThCh\$	undiscounted ThCh\$	
Foreign	Saam Towage Colombia SAS	Colombia	Itaú Corpbanca New York Branch	USD	Monthly	6.58%	SOFR 30 + 2.5%	3,422,584	869,554	2,553,030	20,811,948	3,276,232	3,129,880	2,984,384	11,421,452	-	24,234,532	
Foreign	Aerosan SAS	Colombia	Banco de Bogotá Miami	COP	Quarterly	7.27%	DTF + 3.5%	1,497,756	149,776	1,347,980	2,101,992	525,498	525,498	525,498	525,498	-	3,599,748	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,236,718	311,533	925,185	3,830,830	1,196,492	1,156,267	1,115,186	362,885	-	5,067,548	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,484,061	374,011	1,110,050	4,597,680	1,436,133	1,387,349	1,338,565	435,633	-	6,081,741	
Foreign	SAAM Towage Brasil	Brazil	BNDES	BRL	Monthly	8.79%	TJLP + 3.70%	457,029	116,397	340,632	1,276,087	422,795	388,560	354,326	110,406	-	1,733,116	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	2.60%	2.60%	1,191,357	297,839	893,518	10,336,222	1,168,249	1,143,429	1,119,465	1,094,645	5,810,434	11,527,579	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.60%	3.60%	913,203	228,515	684,688	7,680,487	890,094	866,130	842,166	818,202	4,263,895	8,593,690	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	363,741	92,433	271,308	174,596	136,938	37,658	-	-	-	538,337	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	443,336	112,118	331,218	214,821	167,749	47,072	-	-	-	658,157	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	BRL	Monthly	8.89%	TJLP + 3.80%	115,541	29,955	85,586	53,063	41,937	11,126	-	-	-	168,604	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.50%	3.50%	1,224,735	308,965	915,770	5,686,333	1,189,645	1,151,988	1,116,041	1,080,095	1,148,564	6,911,068	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.60%	3.60%	837,031	211,397	625,634	3,972,046	812,211	786,535	761,715	736,040	875,545	4,809,077	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	4.40%	4.40%	248,200	94,145	154,055	-	-	-	-	-	-	248,200	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,410,457	353,470	1,056,987	10,742,754	1,368,520	1,324,871	1,282,078	1,239,285	5,528,000	12,153,211	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.80%	3.80%	3,138,439	788,247	2,350,192	1,013,338	1,013,338	-	-	-	-	4,151,777	
91,021,000-9	Invexans S.A.	Chile	Banco Scotiabank	USD	Maturity	6.15%	5.88%	4,379,959	-	4,379,959	-	-	-	-	-	-	4,379,959	
91,021,000-9	Invexans S.A.	Chile	HSBC Bank	USD	Semi-annual	5.26%	5.21%	224,190	224,190	-	9,694,556	9,694,556	-	-	-	-	9,918,746	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Status	Ch\$	Maturity	1.45%	1.45%	406,534	406,534	-	57,216,809	57,216,809	-	-	-	-	57,623,343	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	11.50%	10.72%	301,263	301,263	-	19,999,736	-	19,999,736	-	-	-	20,300,999	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	8.62%	8.49%	55,071,168	20,571,451	34,499,717	-	-	-	-	-	-	55,071,168	
Foreign	Road Ranger, LLC	USA	Scotiabank	USD	Maturity	1.66%	1.52%	60,065,111	154,911	59,910,200	-	-	-	-	-	-	60,065,111	
Foreign	Road Ranger, LLC	USA	Citibank	USD	Maturity	1.75%	1.75%	20,540,640	20,540,640	-	-	-	-	-	-	-	20,540,640	
Foreign	Road Ranger, LLC	USA	BCI	USD	Maturity	3.88%	3.77%	109,550	109,550	-	44,835,082	-	44,835,082	-	-	-	44,944,632	
Foreign	ENEX Corp Ltd	UK	Scotiabank	USD	Maturity	2.69%	2.53%	786,535	786,535	-	85,586,000	85,586,000	-	-	-	-	86,372,535	
Foreign	ENEX Corp Ltd	UK	Scotiabank	USD	Maturity	2.72%	2.58%	308,965	308,965	-	17,117,200	17,117,200	-	-	-	-	17,426,165	
SUBTOTAL								160,178,103			306,941,580						467,119,683	
TOTAL								552,212,478			454,789,681							1,007,002,159

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2021, are detailed as follows.

(b.1) Book values

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective Interest Rate	Nominal Interest Rate	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over 5 years	Over	Total debt	
								12/31/22	months	months	12/31/22	under 2 years	under 3 years	under 4 years	under 5 years	5 years	not yet due		
								ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	Semi-annual	2.65%	Libor+2.5%	8,471,396	4,247,946	4,223,450	4,214,159	4,214,159	-	-	-	-	-	-	12,685,555
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Security	USD	At maturity	4.17%	4.17%	37,167	-	37,167	29,511,779	29,511,779	-	-	-	-	-	-	29,548,946
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	The Bank of Nova Scotia	USD	At maturity	1.63%	1.63%	130,939,620	-	130,939,620	-	-	-	-	-	-	-	-	130,939,620
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	At maturity	1.70%	1.70%	130,959,893	-	130,959,893	-	-	-	-	-	-	-	-	130,959,893
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	1.88%	Libor+1.11%	10,981	-	10,981	25,064,486	-	25,064,486	-	-	-	-	-	25,075,467
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	1.90%	Libor+1.15%	6,758	-	6,758	14,620,739	-	14,620,739	-	-	-	-	-	14,627,497
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	1.90%	Libor+1.15%	3,379	-	3,379	8,354,829	-	8,354,829	-	-	-	-	-	8,358,208
92.048.000-4	SAAM S.A.	Chile	Banco Scotiabank	USD	Semi-annual	2.03%	Libor+1.46%	8,488,290	-	8,488,290	63,040,904	8,446,900	8,446,900	46,147,104	-	-	-	-	71,529,194
Foreign	Florida International Terminal, LLC.	USA	Banco Crédito e Inversiones	USD	Semi-annual	3.35%	Libor+3.00%	806,679	429,103	377,576	1,490,033	754,308	735,725	-	-	-	-	-	2,296,712
Foreign	Florida International Terminal, LLC.	USA	Bank of America	USD	Monthly	2.93%	2.89%	184,142	45,613	138,529	792,319	189,211	195,123	201,036	206,949	-	-	-	976,461
Foreign	Florida International Terminal, LLC.	USA	Bank of America	USD	Monthly	3.01%	2.97%	92,916	25,341	67,575	445,152	103,897	107,276	110,654	123,325	-	-	-	538,068
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	Banco Crédito e Inversiones	USD	Quarterly	4.04%	3.47%	986,598	494,144	492,454	-	-	-	-	-	-	-	-	986,598
Foreign	Ecuastibas S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.36%	3.09%	603,109	-	603,109	2,365,132	591,283	591,283	591,283	591,283	591,283	-	-	2,968,241
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	3.38%	3.21%	1,633,630	833,709	799,921	799,921	799,921	-	-	-	-	-	-	2,433,551
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.10%	3.95%	1,612,513	-	1,612,513	5,543,701	1,583,794	1,583,794	1,583,794	792,319	-	-	-	7,156,214
Foreign	Inarpi S.A.	Ecuador	Banco Santander Madrid	USD	Semi-annual	2.12%	Libor+1.80%	1,610,824	-	1,610,824	4,764,051	1,588,017	1,588,017	1,588,017	-	-	-	-	6,374,875
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.28%	4.07%	2,890,529	1,482,431	1,408,098	4,223,450	2,815,352	1,408,098	-	-	-	-	-	7,113,979
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	1.90%	Libor+1.6%	6,869,019	3,490,259	3,378,760	13,515,040	6,757,520	6,757,520	-	-	-	-	-	20,384,059
Foreign	Inarpi S.A.	Ecuador	Banco Santander Madrid	USD	Semi-annual	3.26%	Libor+1.6%	398,694	-	398,694	2,738,483	391,091	391,091	391,091	391,091	391,091	1,174,119	-	3,137,177
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	4.00%	4.00%	956,189	239,047	717,142	3,825,601	989,977	1,028,832	1,069,378	737,414	-	-	-	4,781,790
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	4.00%	4.00%	3,165,899	791,475	2,374,424	12,658,524	3,277,397	3,404,945	3,539,251	2,436,931	-	-	-	15,824,423
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	3.32%	Libor+3.00%	5,154,298	2,620,228	2,534,070	-	-	-	-	-	-	-	-	5,154,298
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	2.90%	2.90%	2,594,043	-	2,594,043	10,136,280	2,534,070	2,534,070	2,534,070	2,534,070	-	-	-	12,730,323
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Santander México	USD	At maturity	3.10%	3.10%	844,690	844,690	-	-	-	-	-	-	-	-	-	844,690
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Santander México	USD	At maturity	3.10%	3.10%	844,690	844,690	-	-	-	-	-	-	-	-	-	844,690
Foreign	SAAM Towage El Salvador S.A. de C.V.	El Salvador	Banco Crédito e Inversiones	USD	At maturity	1.75%	Libor+1.52%	1,560,142	-	1,560,142	11,228,465	1,434,284	1,430,905	7,862,375	500,901	-	-	-	12,788,607
Foreign	SAAM Towage Canada Inc.	Canada	Scotiabank Canada	CAD	Monthly	1.90%	BA+1.45%	1,222,267	305,778	916,489	9,672,545	1,221,422	8,451,123	-	-	-	-	-	10,894,812
SUBTOTAL								312,948,355			229,005,593								541,953,948

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2021, are detailed as follows. (continued)

(b.1) Book values (continued)

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective	Nominal	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over	Total debt			
						Interest Rate	Interest Rate	12/31/22	months	months	12/31/22	under 2 years	under 3 years	under 4 years	under 5 years	5 years	not yet due			
								ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$		
Foreign	SAAM Towage Canada Inc.	Canada	Scotiabank Canada	CAD	Monthly	1.90%	BA+1.45%	843,846	211,173	632,673	10,955,629	843,845	10,111,784	-	-	-	-	11,799,475		
Foreign	SAAM Towage Panama	Panama	Banco Rabobank	USD	Semi-annual	5.71%	3.45%	397,849	397,849	-	-	-	-	-	-	-	-	397,849		
96.885.450-K	Aerosan Airport Services S.A.	Chile	Banco Santander	USD	Monthly	4.67%	4.20%	843,846	211,173	632,673	353,080	353,080	-	-	-	-	-	1,196,926		
Foreign	Intertug Colombia	Colombia	Banco de Occidente	USD	At maturity	1.78%	Libor+2.63%	1,274,637	1,274,637	-	-	-	-	-	-	-	-	1,274,637		
Foreign	Intertug Colombia	Colombia	Banco Scotiabank	USD	At maturity	2.87%	Libor+1.67%	21,153,572	21,153,572	-	-	-	-	-	-	-	-	21,153,572		
Foreign	Aerosan SAS	Colombia	Banco Caja Social	COP	Quarterly	5.40%	DTF+3.50%	398,694	150,355	248,339	-	-	-	-	-	-	-	398,694		
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,077,825	278,748	799,077	4,619,610	1,065,999	1,065,999	1,065,999	1,065,999	1,065,999	355,614	5,697,435		
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,294,065	334,497	959,568	5,542,012	1,278,861	1,278,861	1,278,861	1,278,861	1,278,861	426,568	6,836,077		
Foreign	SAAM Towage Brasil	Brazil	BNDES	BRL	Monthly	8.79%	TJLP+3.70%	306,623	82,780	223,843	1,295,753	299,020	299,020	299,020	299,020	299,020	99,673	1,602,376		
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	2.58%	2.58%	944,364	248,339	696,025	9,966,496	928,314	928,314	928,314	928,314	928,314	6,253,240	10,910,860		
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.58%	3.58%	672,373	179,919	492,454	7,081,880	656,324	656,324	656,324	656,324	656,324	4,456,584	7,754,253		
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	347,168	87,848	259,320	513,571	345,478	130,927	37,166	-	-	-	860,739		
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	423,189	107,276	315,913	627,605	420,656	161,336	45,613	-	-	-	1,050,794		
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	BRL	Monthly	8.89%	TJLP+3.80%	97,139	25,341	71,798	142,753	96,295	36,322	10,136	-	-	-	239,892		
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.50%	3.50%	1,027,987	272,835	755,152	6,134,983	1,007,715	1,007,715	1,007,715	1,007,715	1,007,715	2,104,123	7,162,970		
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.60%	3.60%	697,713	185,832	511,881	4,246,260	682,511	682,510	682,510	682,510	1,516,219	4,943,973			
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	4.38%	4.38%	362,371	92,071	270,300	240,738	240,738	-	-	-	-	-	603,109		
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.68%	3.68%	1,015,316	274,524	740,792	9,855,845	987,444	987,443	987,443	987,443	987,443	5,906,072	10,871,161		
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	5.50%	5.50%	2,996,115	764,444	2,231,671	3,967,509	2,975,843	991,666	-	-	-	-	6,963,624		
91.021.000-9	Invexans S.A.	Chile	Banco Scotiabank	USD	Maturity	1.47%	1.47%	8,474,279	-	8,474,279	-	-	-	-	-	-	-	8,474,279		
91.021.000-9	Invexans S.A.	Chile	Banco Scotiabank	USD	Semi-annual	1.45%	1.45%	4,185	4,185	-	4,206,525	2,103,263	2,103,262	-	-	-	-	4,210,710		
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Status	Ch\$	Maturity	1.50%	1.45%	406,297	406,297	-	57,216,766	28,608,383	28,608,383	-	-	-	-	57,623,063		
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	2.20%	1.11%	304,089	304,089	-	34,499,674	17,249,837	17,249,837	-	-	-	-	34,803,763		
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	1.40%	1.30%	20,171,197	170,627	20,000,570	-	-	-	-	-	-	-	20,171,197		
Foreign	Road Ranger, LLC	USA	Scotiabank	USD	Maturity	1.62%	1.47%	315,069	315,069	-	61,343,922	30,671,961	30,671,961	-	-	-	-	61,658,991		
Foreign	Road Ranger, LLC	USA	Citibank	USD	Maturity	1.75%	1.75%	15,204,420	15,204,420	-	-	-	-	-	-	-	-	15,204,420		
Foreign	Enx Corp Ltd	UK	Scotiabank	USD	Maturity	1.63%	1.64%	186,676	186,676	-	84,469,000	42,234,500	42,234,500	-	-	-	-	84,655,676		
SUBTOTAL								81,240,904			307,279,611							388,520,515		
TOTAL								394,189,259			536,285,204									930,474,463

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2021, are detailed as follows. (continued)

(b.2) Undiscounted values

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective Interest Rate	Nominal Interest Rate	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over 5 years	Total	
								12/31/22 ThCh\$	months ThCh\$	months ThCh\$	12/31/22 ThCh\$	under 2 years ThCh\$	under 3 years ThCh\$	under 4 years ThCh\$	under 5 years ThCh\$	5 years ThCh\$	undiscounted ThCh\$	
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	Semi-annual	2.65%	Libor+2.5%	8,817,719	4,394,922	4,422,797	4,327,347	4,327,347	-	-	-	-	-	13,145,066
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Security	USD	At maturity	4.17%	4.17%	1,250,141	-	1,250,141	30,187,531	30,187,531	-	-	-	-	-	31,437,672
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	The Bank of Nova Scotia	USD	At maturity	1.63%	1.63%	132,355,618	-	132,355,618	-	-	-	-	-	-	-	132,355,618
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itaú Chile	USD	At maturity	1.70%	1.70%	132,416,971	-	132,416,971	-	-	-	-	-	-	-	132,416,971
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	1.88%	Libor+1.11%	379,266	-	379,266	26,106,834	382,645	25,724,189	-	-	-	-	26,486,100
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	1.90%	Libor+1.15%	221,309	-	221,309	15,228,916	222,998	15,005,918	-	-	-	-	15,450,225
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Banco Santander	USD	Semi-annual	1.90%	Libor+1.15%	126,704	-	126,704	8,701,996	127,548	8,574,448	-	-	-	-	8,828,700
92.048.000-4	SAAM S.A.	Chile	Banco Scotiabank	USD	Semi-annual	2.03%	Libor+1.46%	19,202,338	-	19,202,338	65,248,079	9,463,907	55,784,172	-	-	-	-	84,450,417
Foreign	Florida International Terminal, LLC.	USA	Banco Crédito e Inversiones	USD	Semi-annual	3.35%	Libor+3.00%	836,244	429,103	407,141	1,569,434	796,543	772,891	-	-	-	-	2,405,678
Foreign	Florida International Terminal, LLC.	USA	Bank of America	USD	Monthly	2.93%	2.89%	209,483	52,371	157,112	841,312	210,328	210,328	210,328	210,328	210,328	-	1,050,795
Foreign	Florida International Terminal, LLC.	USA	Bank of America	USD	Monthly	3.01%	2.97%	105,586	28,719	76,867	472,183	115,723	115,723	115,723	115,723	125,014	-	577,769
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	Banco Crédito e Inversiones	USD	Quarterly	4.04%	3.47%	998,424	501,746	496,678	-	-	-	-	-	-	-	998,424
Foreign	Ecuastibas S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.36%	3.09%	679,131	-	679,131	2,530,691	660,548	641,964	623,381	604,798	-	-	3,209,822
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	3.38%	3.21%	1,665,729	839,622	826,107	799,921	799,921	-	-	-	-	-	2,465,650
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.10%	3.95%	1,853,250	-	1,853,250	5,987,163	1,789,898	1,726,546	1,663,195	807,524	-	-	7,840,413
Foreign	Inarpi S.A.	Ecuador	Banco Santander Madrid	USD	Semi-annual	2.12%	Libor+1.80%	1,707,118	-	1,707,118	4,930,456	1,675,020	1,643,767	1,611,669	-	-	-	6,637,574
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.28%	4.07%	3,076,361	1,551,696	1,524,665	4,397,456	2,960,638	1,436,818	-	-	-	-	7,473,817
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	1.90%	Libor+1.6%	7,086,950	3,556,990	3,529,960	13,814,060	6,967,003	6,847,057	-	-	-	-	20,901,010
Foreign	Inarpi S.A.	Ecuador	Banco Santander Madrid	USD	Semi-annual	3.26%	Libor+1.6%	448,530	-	448,530	2,981,756	446,841	439,239	432,481	424,879	1,238,316	-	3,430,286
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	4.00%	4.00%	1,120,904	280,437	840,467	4,106,883	1,120,059	1,120,059	1,120,059	746,706	-	-	5,227,787
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	4.00%	4.00%	3,707,344	926,625	2,780,719	13,593,595	3,707,344	3,707,344	3,707,344	2,471,563	-	-	17,300,939
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	3.32%	Libor+3.00%	5,206,669	2,672,599	2,534,070	-	-	-	-	-	-	-	5,206,669
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	2.90%	2.90%	2,906,578	-	2,906,578	10,507,944	2,681,891	2,646,414	2,608,403	2,571,236	-	-	13,414,522
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Santander México	USD	At maturity	3.10%	3.10%	847,224	847,224	-	-	-	-	-	-	-	-	847,224
Foreign	SAAM Towage México S.A. de C.V.	Mexico	Santander México	USD	At maturity	3.10%	3.10%	847,224	847,224	-	-	-	-	-	-	-	-	847,224
Foreign	SAAM Towage El Salvador S.A. de C.V.	El Salvador	Banco Crédito e Inversiones	USD	At maturity	1.75%	Libor+1.52%	1,958,836	-	1,958,836	12,142,419	1,780,607	1,733,304	8,120,005	508,503	-	-	14,101,255
Foreign	SAAM Towage Canada Inc.	Canada	Scotiabank Canada	CAD	Monthly	1.90%	BA+1.45%	1,466,381	364,061	1,102,320	9,898,922	1,250,141	8,648,781	-	-	-	-	11,365,303
SUBTOTAL								331,498,032			238,374,898							569,872,930

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2021, are detailed as follows. (continued)

(b.2) Undiscounted values (continued)

Debtor ID number	Debtor	Country	Creditor	Currency	Repayment	Effective	Nominal	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over 5 years	Total	
						Interest Rate	Interest Rate	12/31/22	months	months	12/31/22	under 2 years	under 3 years	under 4 years	under 5 years	5 years	undiscounted	
								ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Foreign	SAAM Towage Canada Inc.	Canada	Scotiabank Canada	CAD	Monthly	1.90%	BA+1.45%	1,314,338	325,206	989,132	11,405,005	878,478	10,526,527	-	-	-	12,719,343	
Foreign	SAAM Towage Panama	Panama	Banco Rabobank	USD	Semi-annual	5.71%	3.45%	402,072	402,072	-	-	-	-	-	-	-	402,072	
96.885.450-K	Aerosan Airport Services S.A.	Chile	Banco Santander	USD	Monthly	4.67%	4.20%	876,788	222,153	654,635	355,614	355,614	-	-	-	-	1,232,402	
Foreign	Intertug Colombia	Colombia	Banco de Occidente	USD	At maturity	1.78%	Libor+2.63%	1,274,637	1,274,637	-	-	-	-	-	-	-	1,274,637	
Foreign	Intertug Colombia	Colombia	Banco Scotiabank	USD	At maturity	2.87%	Libor+1.67%	21,153,572	21,153,572	-	-	-	-	-	-	-	21,153,572	
Foreign	Aerosan SAS	Colombia	Banco Caja Social	COP	Quarterly	5.40%	DTF+3.50%	413,053	155,423	257,630	-	-	-	-	-	-	413,053	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,261,967	318,448	943,519	5,001,410	1,220,577	1,180,877	1,141,176	1,100,631	358,149	6,263,377	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%	3.70%	1,513,685	381,800	1,131,885	6,002,366	1,464,692	1,417,390	1,369,242	1,321,095	429,947	7,516,051	
Foreign	SAAM Towage Brasil	Brazil	BNDES	BRL	Monthly	8.79%	TJLP+3.70%	439,239	111,499	327,740	1,570,279	409,675	381,800	353,080	324,361	101,363	2,009,518	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	2.58%	2.58%	1,202,838	301,554	901,284	11,377,975	1,176,653	1,153,002	1,128,506	1,104,855	6,814,959	12,580,813	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.58%	3.58%	928,314	233,134	695,180	8,482,377	902,129	878,478	854,826	831,175	5,015,769	9,410,691	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	372,508	94,605	277,903	531,309	358,993	135,150	37,166	-	-	903,817	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%	3.80%	453,599	114,878	338,721	649,566	437,549	165,559	46,458	-	-	1,103,165	
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	BRL	Monthly	8.89%	TJLP+3.80%	113,188	28,719	84,469	153,734	104,742	38,856	10,136	-	-	266,922	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.50%	3.50%	1,244,228	313,380	930,848	6,820,872	1,208,751	1,174,119	1,136,953	1,101,476	2,199,573	8,065,100	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.60%	3.60%	851,447	214,551	636,896	4,746,313	826,107	801,611	776,270	751,774	1,590,551	5,597,760	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	4.38%	4.38%	385,179	97,984	287,195	244,960	244,960	-	-	-	-	630,139	
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.68%	3.68%	1,438,507	361,527	1,076,980	11,993,753	1,392,049	1,350,659	1,307,580	1,265,346	6,678,119	13,432,260	
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	5.50%	5.50%	3,188,705	806,679	2,382,026	4,074,785	3,074,672	1,000,113	-	-	-	7,263,490	
91.021.000-9	Invexans S.A.	Chile	Banco Scotiabank	USD	Maturity	1.47%	1.47%	8,708,108	130,246	8,577,862	-	-	-	-	-	-	8,708,108	
91.021.000-9	Invexans S.A.	Chile	Banco Scotiabank	USD	Semi-annual	1.45%	1.45%	99,345	-	99,345	4,322,795	4,322,795	-	-	-	-	4,422,140	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Status	Ch\$	Maturity	1.50%	1.45%	409,675	409,675	-	57,884,072	57,884,072	-	-	-	-	58,293,747	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	2.20%	1.11%	305,778	305,778	-	34,691,418	34,691,418	-	-	-	-	34,997,196	
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chile	Scotiabank	Ch\$	Maturity	1.40%	1.30%	173,161	173,161	-	20,374,767	20,374,767	-	-	-	-	20,547,928	
Foreign	Road Ranger, LLC	USA	Scotiabank	USD	Maturity	1.62%	1.47%	330,274	330,274	-	62,131,173	62,131,173	-	-	-	-	62,461,447	
Foreign	Road Ranger, LLC	USA	Citibank	USD	Maturity	1.75%	1.75%	15,204,420	15,204,420	-	-	-	-	-	-	-	15,204,420	
Foreign	Enx Corp Ltd	UK	Scotiabank	USD	Maturity	1.63%	1.64%	266,077	266,077	-	84,469,000	84,469,000	-	-	-	-	84,735,077	
SUBTOTAL								64,324,702			337,283,543						401,608,245	
TOTAL								395,822,734			575,658,441							971,481,175

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(c) Bonds payable as of December 31, 2022, are detailed as follows:

(c.1) Book values

Debtor ID number	Debtor name	Debtor country	Registration number	Series	Maturity	Currency	Repayment	Effective rate	Nominal rate	Current debt ThCh\$	Under 3 months ThCh\$	3 to 12 months ThCh\$	Non-current debt ThCh\$	1 to 2 years ThCh\$	2 to 3 years ThCh\$	3 to 4 years ThCh\$	4 to 5 years ThCh\$	Over 5 years ThCh\$	Total debt ThCh\$
96.929.880-5	LQIF	Chile	385	Series C	2039	CLF	Annual	4.93%	4.85%	3,212,136	-	3,212,136	105,225,127	-	-	-	-	105,225,127	108,437,263
96.929.880-5	LQIF	Chile	597	Series D	2033	CLF	Annual	3.84%	3.50%	14,005,354	-	14,005,354	114,018,590	11,458,099	11,266,207	11,298,558	11,330,909	68,664,817	128,023,944
90.160.000-7	CSAV	Chile	955	Series C	2026	USD	Semi-annual	5.35%	5.35%	648,742	-	648,742	85,232,058	-	21,396,500	63,835,558	-	-	85,880,800
76.196.718-5	SM SAAM S.A.	Chile	794	Series C	2026	CLF	Semi-annual	2.80%	2.80%	59,910	-	59,910	49,852,989	-	-	49,852,989	-	-	49,912,899
76.196.718-5	SM SAAM S.A.	Chile	794	Series E	2026	CLF	Semi-annual	1.30%	1.30%	23,964	-	23,964	42,204,168	-	-	-	-	42,204,168	42,228,132
76.196.718-5	SM SAAM S.A.	Chile	1037	Series H	2030	CLF	Semi-annual	1.30%	1.30%	301,263	301,263	-	49,251,320	-	-	-	-	49,251,320	49,552,583
91.705.000-7	Quiñenco	Chile	715	Series J	2032	CLF	Annual	3.90%	3.85%	2,377,639	-	2,377,639	104,819,925	-	-	-	-	104,819,925	107,197,564
91.705.000-7	Quiñenco	Chile	715	Series O	2035	CLF	Annual	3.36%	3.40%	1,266,136	-	1,266,136	83,473,300	-	-	-	-	83,473,300	84,739,436
91.705.000-7	Quiñenco	Chile	427	Series C	2032	CLF	Annual	4.24%	4.00%	268,383	-	268,383	80,942,193	-	-	-	13,605,508	67,336,685	81,210,576
91.705.000-7	Quiñenco	Chile	714	Series V	2025	CLF	Annual	1.72%	1.80%	14,489,041	-	14,489,041	28,012,511	14,044,392	13,968,119	-	-	-	42,501,552
91.705.000-7	Quiñenco	Chile	819	Series W	2047	CLF	Annual	3.03%	2.90%	2,984,914	-	2,984,914	170,931,363	-	-	-	-	170,931,363	173,916,277
91.705.000-7	Quiñenco	Chile	596	Series F	2032	CLF	Annual	3.97%	3.85%	17,605,818	-	17,605,818	128,218,000	14,363,584	14,363,584	14,363,584	14,363,584	70,763,664	145,823,818
91.705.000-7	Quiñenco	Chile	930	Series X	2032	CLF	Annual	1.22%	1.60%	327,831	-	327,831	36,022,845	-	-	-	5,851,830	30,171,015	36,350,676
91.705.000-7	Quiñenco	Chile	930	Series Y	2047	CLF	Annual	1.66%	2.40%	1,475,238	-	1,475,238	117,840,068	-	-	-	-	117,840,068	119,315,306
91.705.000-7	Quiñenco	Chile	820	Series S	2044	CLF	Annual	3.15%	3.15%	454,519	-	454,519	174,552,656	-	-	-	-	174,552,656	175,007,175
91.705.000-7	Quiñenco	Chile	820	Series R	2039	CLF	Annual	3.20%	3.15%	3,242,234	-	3,242,234	173,722,114	-	-	-	-	173,722,114	176,964,348
TOTAL										62,743,122			1,544,319,227						1,607,062,349

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(c) Bonds payable as of December 31, 2022, are detailed as follows: (continued)

(c.2) Undiscounted values

Debtor ID number	Debtor name	Debtor country	Registration number	Series	Maturity	Currency	Repayment	Effective rate	Nominal rate	Current debt ThCh\$	Under 3 months ThCh\$	3 to 12 months ThCh\$	Non-current debt ThCh\$	1 to 2 years ThCh\$	2 to 3 years ThCh\$	3 to 4 years ThCh\$	4 to 5 years ThCh\$	Over 5 years ThCh\$	Total debt ThCh\$
96.929.880-5	LQIF	Chile	385	Series C	2039	CLF	Annual	4.93%	4.85%	5,108,648	-	5,108,648	164,082,391	5,108,648	5,108,648	5,108,648	5,108,648	143,647,799	169,191,039
96.929.880-5	LQIF	Chile	597	Series D	2033	CLF	Annual	3.84%	3.50%	16,006,949	-	16,006,949	137,821,568	15,602,442	15,197,934	14,793,426	14,388,918	77,838,848	153,828,517
90.160.000-7	CSAV	Chile	955	Series C	2026	USD	Semi-annual	5.35%	5.35%	4,518,941	-	4,518,941	93,494,146	25,915,441	45,617,338	21,961,368	-	-	98,013,087
76.196.718-5	SM SAAM S.A.	Chile	794	Series C	2026	CLF	Semi-annual	2.80%	2.80%	1,366,808	-	1,366,808	53,255,888	1,366,808	1,366,808	50,522,272	-	-	54,622,696
76.196.718-5	SM SAAM S.A.	Chile	794	Series E	2026	CLF	Semi-annual	1.30%	1.30%	546,039	-	546,039	45,682,385	546,039	546,039	546,039	546,039	43,498,229	46,228,424
76.196.718-5	SM SAAM S.A.	Chile	1037	Series H	2030	CLF	Semi-annual	1.30%	1.30%	636,760	318,380	318,380	53,294,403	636,760	636,760	636,760	636,760	50,747,363	53,931,163
91.705.000-7	Quiñenco	Chile	715	Series J	2032	CLF	Annual	3.90%	3.85%	4,055,318	-	4,055,318	147,913,780	4,055,318	4,055,318	4,055,318	4,055,318	131,692,508	151,969,098
91.705.000-7	Quiñenco	Chile	715	Series O	2035	CLF	Annual	3.36%	3.40%	2,835,212	-	2,835,212	117,411,119	2,835,212	2,835,212	2,835,212	2,835,212	106,070,271	120,246,331
91.705.000-7	Quiñenco	Chile	427	Series C	2032	CLF	Annual	4.24%	4.00%	3,265,321	-	3,265,321	102,857,616	3,265,321	3,265,321	3,265,321	16,870,829	76,190,824	106,122,937
91.705.000-7	Quiñenco	Chile	714	Series V	2025	CLF	Annual	1.72%	1.80%	14,802,789	-	14,802,789	28,847,181	14,549,990	14,297,191	-	-	-	43,649,970
91.705.000-7	Quiñenco	Chile	819	Series W	2047	CLF	Annual	3.03%	2.90%	5,091,092	-	5,091,092	322,669,906	5,091,092	5,091,092	5,091,092	5,091,092	302,305,538	327,760,998
91.705.000-7	Quiñenco	Chile	596	Series F	2032	CLF	Annual	3.97%	3.85%	19,893,564	-	19,893,564	154,710,148	19,340,566	19,340,566	18,234,570	17,681,572	80,112,874	174,603,712
91.705.000-7	Quiñenco	Chile	930	Series X	2032	CLF	Annual	1.22%	1.60%	561,776	-	561,776	38,762,523	561,776	561,776	561,776	6,413,606	30,663,589	39,324,299
91.705.000-7	Quiñenco	Chile	930	Series Y	2047	CLF	Annual	1.66%	2.40%	2,527,991	-	2,527,991	152,100,767	2,527,991	2,527,991	2,527,991	2,527,991	141,988,803	154,628,758
91.705.000-7	Quiñenco	Chile	820	Series S	2044	CLF	Annual	3.15%	3.15%	5,529,979	-	5,529,979	280,624,506	5,529,979	5,529,979	5,529,979	5,529,979	258,504,590	286,154,485
91.705.000-7	Quiñenco	Chile	820	Series R	2039	CLF	Annual	3.20%	3.15%	5,529,979	-	5,529,979	255,739,599	5,529,979	5,529,979	5,529,979	5,529,979	233,619,683	261,269,578
TOTAL										92,277,166			2,149,267,927						2,241,545,093

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(d) Bonds payable as of December 31, 2021, are detailed as follows.

(d.1) Book values

Debtor ID number	Debtor name	Debtor country	Registration number	Series	Maturity	Currency	Repayment	Effective rate	Nominal rate	Current debt ThCh\$	Under 3 months ThCh\$	3 to 12 months ThCh\$	Non-current debt ThCh\$	1 to 2 years ThCh\$	2 to 3 years ThCh\$	3 to 4 years ThCh\$	4 to 5 years ThCh\$	Over 5 years ThCh\$	Total debt ThCh\$
96.929.880-5	LQIF	Chile	385	Series C	2039	CLF	Annual	4.93%	4.85%	2,834,463	-	2,834,463	92,860,394	-	-	-	-	92,860,394	95,694,857
96.929.880-5	LQIF	Chile	597	Series D	2033	CLF	Annual	3.84%	3.50%	12,558,674	-	12,558,674	110,547,195	9,887,339	10,131,815	9,944,450	9,973,005	70,610,586	123,105,869
90.160.000-7	CSAV	Chile	955	Series C	2026	USD	Semi-annual	5.35%	5.35%	640,275	-	640,275	84,015,401	-	-	-	84,015,401	-	84,655,676
76.196.718-5	SM SAAM S.A.	Chile	794	Series C	2026	CLF	Semi-annual	2.80%	2.80%	53,215	-	53,215	44,240,639	-	-	-	44,240,639	-	44,293,854
76.196.718-5	SM SAAM S.A.	Chile	794	Series E	2026	CLF	Semi-annual	1.30%	1.30%	21,118	-	21,118	37,269,412	-	-	-	-	37,269,412	37,290,530
76.196.718-5	SM SAAM S.A.	Chile	1037	Series H	2030	CLF	Semi-annual	1.25%	1.25%	266,077	266,077	-	43,494,777	-	-	-	-	43,494,777	43,760,854
91.705.000-7	Quiñenco	Chile	715	Series J	2032	CLF	Annual	3.90%	3.85%	2,098,693	-	2,098,693	92,427,583	-	-	-	-	92,427,583	94,526,276
91.705.000-7	Quiñenco	Chile	715	Series O	2035	CLF	Annual	3.36%	3.40%	1,117,592	-	1,117,592	73,692,970	-	-	-	-	73,692,970	74,810,562
91.705.000-7	Quiñenco	Chile	427	Series C	2032	CLF	Annual	4.24%	4.00%	236,896	-	236,896	71,272,202	-	-	-	-	71,272,202	71,509,098
91.705.000-7	Quiñenco	Chile	714	Series V	2025	CLF	Annual	1.72%	1.80%	12,920,006	-	12,920,006	37,069,021	12,396,696	12,396,696	12,275,629	-	-	49,989,027
91.705.000-7	Quiñenco	Chile	819	Series W	2047	CLF	Annual	3.03%	2.90%	2,634,722	-	2,634,722	150,633,824	-	-	-	-	150,633,824	153,268,546
91.705.000-7	Quiñenco	Chile	596	Series F	2032	CLF	Annual	3.97%	3.85%	15,826,479	-	15,826,479	125,562,294	12,678,440	12,678,440	12,678,440	12,678,440	74,848,534	141,388,773
91.705.000-7	Quiñenco	Chile	930	Series X	2032	CLF	Annual	1.22%	1.60%	289,369	-	289,369	31,900,422	-	-	-	-	31,900,422	32,189,791
91.705.000-7	Quiñenco	Chile	930	Series Y	2047	CLF	Annual	1.66%	2.40%	1,302,163	-	1,302,163	104,556,052	-	-	-	-	104,556,052	105,858,215
91.705.000-7	Quiñenco	Chile	820	Series S	2044	CLF	Annual	3.15%	3.15%	401,194	-	401,194	154,010,250	-	-	-	-	154,010,250	154,411,444
91.705.000-7	Quiñenco	Chile	820	Series R	2039	CLF	Annual	3.20%	3.15%	2,861,855	-	2,861,855	153,165,504	-	-	-	-	153,165,504	156,027,359
TOTAL										56,062,791			1,406,717,940						1,462,780,731

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(d) Bonds payable as of December 31, 2021, are detailed as follows. (continued)

(d.2) Undiscounted values

Debtor ID number	Debtor name	Debtor country	Registration number	Series	Maturity	Currency	Repayment	Effective rate	Nominal rate	Current debt ThCh\$	Under 3 months ThCh\$	3 to 12 months ThCh\$	Non-current debt ThCh\$	1 to 2 years ThCh\$	2 to 3 years ThCh\$	3 to 4 years ThCh\$	4 to 5 years ThCh\$	Over 5 years ThCh\$	Total debt undiscounted ThCh\$
96.929.880-5	LQIF	Chile	385	Series C	2039	CLF	Annual	4.93%	4.85%	4,509,301	-	4,509,301	149,341,446	4,509,298	4,509,298	4,509,298	4,509,298	131,304,254	153,850,747
96.929.880-5	LQIF	Chile	597	Series D	2033	CLF	Annual	3.84%	3.50%	14,486,056	-	14,486,056	135,781,268	14,129,005	13,771,954	13,414,904	13,057,853	81,407,552	150,267,324
90.160.000-7	CSAV	Chile	955	Series C	2026	USD	Semi-annual	5.35%	5.35%	4,460,132	-	4,460,132	96,734,363	4,460,132	25,577,382	45,022,083	21,674,767	-	101,194,496
76.196.718-5	SM SAAM S.A.	Chile	794	Series C	2026	CLF	Semi-annual	2.80%	2.80%	1,206,217	-	1,206,217	48,213,215	1,206,217	1,206,217	1,206,217	44,594,564	-	49,419,432
76.196.718-5	SM SAAM S.A.	Chile	794	Series E	2026	CLF	Semi-annual	1.30%	1.30%	482,318	-	482,318	40,806,129	482,318	482,318	482,318	482,318	38,876,857	41,288,447
76.196.718-5	SM SAAM S.A.	Chile	1037	Series H	2030	CLF	Semi-annual	1.25%	1.25%	562,564	281,282	281,282	47,888,012	562,564	562,564	562,564	562,564	45,637,756	48,450,576
91.705.000-7	Quiñenco	Chile	715	Series J	2032	CLF	Annual	3.90%	3.85%	3,579,546	-	3,579,546	134,139,999	3,579,546	3,579,546	3,579,546	3,579,546	119,821,815	137,719,545
91.705.000-7	Quiñenco	Chile	715	Series O	2035	CLF	Annual	3.36%	3.40%	2,502,583	-	2,502,583	106,138,962	2,502,583	2,502,583	2,502,583	2,502,583	96,128,630	108,641,545
91.705.000-7	Quiñenco	Chile	427	Series C	2032	CLF	Annual	4.24%	4.00%	2,882,232	-	2,882,232	93,672,535	2,882,232	2,882,232	2,882,232	2,882,232	82,143,607	96,554,767
91.705.000-7	Quiñenco	Chile	714	Series V	2025	CLF	Annual	1.72%	1.80%	13,289,258	-	13,289,258	38,528,932	13,066,118	12,842,977	12,619,837	-	-	51,818,190
91.705.000-7	Quiñenco	Chile	819	Series W	2047	CLF	Annual	3.03%	2.90%	4,493,802	-	4,493,802	289,307,892	4,493,802	4,493,802	4,493,802	4,493,802	271,332,684	293,801,694
91.705.000-7	Quiñenco	Chile	596	Series F	2032	CLF	Annual	3.97%	3.85%	18,047,759	-	18,047,759	154,119,105	17,559,639	17,071,520	17,071,520	16,095,280	86,321,146	172,166,864
91.705.000-7	Quiñenco	Chile	930	Series X	2032	CLF	Annual	1.22%	1.60%	495,868	-	495,868	34,710,749	495,868	495,868	495,868	495,868	32,727,277	35,206,617
91.705.000-7	Quiñenco	Chile	930	Series Y	2047	CLF	Annual	1.66%	2.40%	2,231,405	-	2,231,405	136,487,622	2,231,405	2,231,405	2,231,405	2,231,405	127,562,002	138,719,027
91.705.000-7	Quiñenco	Chile	820	Series S	2044	CLF	Annual	3.15%	3.15%	4,881,199	-	4,881,199	252,582,681	4,881,199	4,881,199	4,881,199	4,881,199	233,057,885	257,463,880
91.705.000-7	Quiñenco	Chile	820	Series R	2039	CLF	Annual	3.20%	3.15%	4,881,199	-	4,881,199	230,617,285	4,881,199	4,881,199	4,881,199	4,881,199	211,092,489	235,498,484
										<u>82,991,439</u>			<u>1,989,070,196</u>						<u>2,072,061,635</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(e) Concession liabilities

Financial liabilities for concession contracts as of December 31, 2022, are detailed as follows:

(e.1) Book values

Terminal company	Debtor ID number	Debtor	Country	Currency	Under 3	3 to 12	Total	Over 1	Over 3	Over 5	Total	Total
					months	months	Current	year to	years to	years	Non-current	debt
					ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Instituto Costarricense de Puerto Pacifico	Foreign	Concesionaria SAAM Costa Rica S.A.	Costa Rica	USD	79,595	-	79,595	-	-	-	-	79,595
							<u>79,595</u>					<u>79,595</u>

(e.2) Undiscounted values

Terminal company	Debtor ID number	Debtor	Country	Currency	Under 3	3 to 12	Total	Over 1	Over 3	Over 5	Total	Total
					months	months	Current	year to	years to	years	Non-current	debt
					ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Instituto Costarricense de Puerto Pacifico	Foreign	Concesionaria SAAM Costa Rica S.A.	Costa Rica	USD	75,595	-	75,595	-	-	-	-	75,595
							<u>75,595</u>					<u>75,595</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 21 – Other current and non-current financial liabilities (continued)

(f) Concession liabilities

Financial liabilities for concession contracts as of December 31, 2021, are detailed as follows:

(f.1) Book values

Terminal company	Debtor ID number	Debtor	Country	Currency	Under 3	3 to 12	Total	Over 1	Over 3	Over 5	Total Non-current	Total debt
					months	months	Current	year to 3 years	years to 5 years	years ThCh\$		
					ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	USD	194,279	601,418	795,697	1,750,198	1,986,711	4,476,011	8,212,920	9,008,617
Administración Portuaria Integral de Mazatlán	Foreign	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	MXN	225,533	693,490	919,023	5,412,774	4,718,438	11,570,564	21,701,776	22,620,799
Instituto Costarricense de Puerto Pacífico	Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	USD	1,592,241	-	1,592,241	-	-	-	-	1,592,241
Instituto Costarricense de Puerto Pacífico	Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	USD	188,366	-	188,366	-	-	-	-	188,366
Instituto Costarricense de Puerto Pacífico	Foreign	Concesionaria SAAM Costa Rica S.A.	Costa Rica	USD	79,401	-	79,401	-	-	-	-	79,401
							<u>3,574,728</u>				<u>29,914,696</u>	<u>33,489,424</u>

(f.2) Undiscounted values

Terminal company	Debtor ID number	Debtor	Country	Currency	Under 3	3 to 12	Total	Over 1	Over 3	Over 5	Total Non-current	Total debt
					months	months	Current	year to 3 years	years to 5 years	years ThCh\$		
					ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	USD	337,876	1,013,628	1,351,504	2,703,008	2,703,008	5,068,140	10,474,156	11,825,660
Administración Portuaria Integral de Mazatlán	Foreign	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	MXN	268,611	697,714	966,325	6,523,541	7,130,028	41,921,965	55,575,534	56,541,859
Instituto Costarricense de Puerto Pacífico	Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	USD	1,592,241	-	1,592,241	-	-	-	-	1,592,241
Instituto Costarricense de Puerto Pacífico	Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	USD	188,366	-	188,366	-	-	-	-	188,366
Instituto Costarricense de Puerto Pacífico	Foreign	Concesionaria SAAM Costa Rica S.A.	Costa Rica	USD	79,401	-	79,401	-	-	-	-	79,401
							<u>4,177,837</u>				<u>66,049,690</u>	<u>70,227,527</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 21 – Other current and non-current financial liabilities (continued)

(g) Finance leases as of December 31, 2022, are detailed as follows.

(g.1) Book values

Debtor						Effective	Nominal	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years to	Over 5 years	Total	
ID number	Debtor	Country	Creditor	Currency	Amortization	interest rate	interest rate	debt	months	months	debt	to 2 years	to 3 years	to 4 years	5 years		debt	
								ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
94.058.000-5	Servicios Aeroportuarios Aerosan SA (SAA)	Chile	Banco Bice	USD	Monthly	7.46%	7.46%	39,369	11,126	28,243	85,586	43,649	41,937	-	-	-	124,955	
94.058.000-5	Servicios Aeroportuarios Aerosan SA (SAA)	Chile	Banco Bice	USD	Monthly	7.36%	7.36%	49,640	13,694	35,946	106,126	53,919	52,207	-	-	-	155,766	
Foreign	Saam Towage Colombia SAS (ST Colombia)	Colombia	Bancolombia Panama	USD	Monthly	17.39%	17.39%	71,892	17,973	53,919	296,129	147,209	148,920	-	-	-	368,021	
Foreign	Saam Towage Colombia SAS (ST Colombia)	Colombia	Bancolombia Panama	USD	Monthly	16.91%	16.91%	21,396	5,135	16,261	22,252	22,252	-	-	-	-	43,648	
Foreign	Aerosan SAS (Transaéreo)	Chile	Banco Itaú Corpbanca	USD	Monthly	12.42%	12.42%	20,540	5,135	15,405	37,657	22,252	15,405	-	-	-	58,197	
Foreign	Aerosan SAS (Transaéreo)	Chile	CSI Renting	USD	Monthly	16.32%	16.32%	2,173,884	174,595	1,999,289	-	-	-	-	-	-	2,173,884	
Foreign	Aerosan SAS (Transaéreo)	Chile	Banco de Occidente	USD	Monthly	18.98%	18.98%	464,732	114,685	350,047	160,046	160,046	-	-	-	-	624,778	
Foreign	Aerosan SAS (Transaéreo)	Chile	Banco de Occidente	USD	Monthly	18.98%	18.98%	851,583	296,983	554,600	29,955	29,955	-	-	-	-	881,538	
								<u>3,693,036</u>			<u>737,751</u>						<u>4,430,787</u>	

(g.2) Undiscounted values

Debtor						Effective	Nominal	Current	Under 3	3 to 12	Non-current	Over 1 year	Over 2 years	Over 3 years	Over 4 years to	Over 5 years	Total	
ID number	Debtor	Country	Creditor	Currency	Amortization	interest rate	interest rate	debt	months	months	debt	to 2 years	to 3 years	to 4 years	5 years		debt	
								ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
94.058.000-5	Servicios Aeroportuarios Aerosan SA (SAA)	Chile	Banco Bice	USD	Monthly	7.46%	7.46%	43,649	11,982	31,667	87,298	43,649	43,649	-	-	-	130,947	
94.058.000-5	Servicios Aeroportuarios Aerosan SA (SAA)	Chile	Banco Bice	USD	Monthly	7.36%	7.36%	53,920	14,550	39,370	107,838	53,919	53,919	-	-	-	161,758	
Foreign	Saam Towage Colombia SAS (ST Colombia)	Colombia	Bancolombia Panama	USD	Monthly	17.39%	17.39%	76,172	18,829	57,343	314,956	157,478	157,478	-	-	-	391,128	
Foreign	Saam Towage Colombia SAS (ST Colombia)	Colombia	Bancolombia Panama	USD	Monthly	16.91%	16.91%	23,964	5,991	17,973	23,964	23,964	-	-	-	-	47,928	
Foreign	Aerosan SAS (Transaéreo)	Chile	Banco Itaú Corpbanca	USD	Monthly	12.42%	12.42%	23,108	5,991	17,117	41,081	24,820	16,261	-	-	-	64,189	
Foreign	Aerosan SAS (Transaéreo)	Chile	CSI Renting	USD	Monthly	16.32%	16.32%	2,198,705	190,857	2,007,848	-	-	-	-	-	-	2,198,705	
Foreign	Aerosan SAS (Transaéreo)	Chile	Banco de Occidente	USD	Monthly	18.98%	18.98%	485,273	121,532	363,741	161,758	161,758	-	-	-	-	647,031	
Foreign	Aerosan SAS (Transaéreo)	Chile	Banco de Occidente	USD	Monthly	18.98%	18.98%	902,076	314,956	587,120	31,667	31,667	-	-	-	-	933,743	
								<u>3,806,867</u>			<u>768,562</u>						<u>4,575,429</u>	

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 21 – Other current and non-current financial liabilities (continued)

(h) Finance leases as of December 31, 2021, are detailed as follows:

(h.1) Book values

Debtor	Debtor	Country	Creditor	Currency	Amortization	Effective interest rate	Nominal interest rate	Current debt	Under 3 months	3 to 12 months	Non-current debt	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over 5 years	Total debt
ID number								ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	BCI Wells Fargo Equipment Finance, Inc.	USD	Monthly	2.86%	2.86%	449,375	110,654	338,721	1,248,451	467,958	487,386	293,107	-	-	1,697,826
Foreign	Florida International Terminal LLC	USA	TD Bank	USD	Monthly	3.74%	3.74%	285,505	105,586	179,919	18,583	18,583	-	-	-	-	304,088
Foreign	Florida International Terminal LLC	USA	TD Bank	USD	Monthly	3.65%	3.30%	266,922	159,646	107,276	-	-	-	-	-	-	266,922
94.058.000-5	Aerosan Airport Services	Chile	Banco Bice	USD	Monthly	3.73%	3.73%	38,011	9,292	28,719	125,859	39,700	40,545	42,235	3,379	-	163,870
94.058.000-5	Aerosan Airport Services	Chile	Banco Bice	USD	Monthly	3.68%	3.68%	47,303	11,826	35,477	150,355	48,147	49,837	52,371	-	-	197,658
Foreign	Aerosan SAS	Colombia	Itaú	USD	Monthly	6.39%	6.21%	94,605	23,651	70,954	430,792	114,878	114,878	114,878	86,158	-	525,397
Foreign	Aerosan SAS	Colombia	CSI	USD	Monthly	8.47%	8.16%	7,602	1,689	5,913	-	-	-	-	-	-	7,602
Foreign	Aerosan SAS	Colombia	Banco de Occidente	USD	Monthly	9.73%	9.49%	26,186	6,758	19,428	52,370	26,185	26,185	-	-	-	78,556
Foreign	Intertug Colombia	Colombia	Panama Bancolombia	USD	Monthly	4.85%	4.79%	565,098	291,418	273,680	850,603	821,039	29,564	-	-	-	1,415,701
Foreign	Intertug Colombia	Colombia	Panama Bancolombia	USD	Monthly	4.60%	4.55%	614,934	316,759	298,175	950,277	894,527	55,750	-	-	-	1,565,211
								<u>2,395,541</u>			<u>3,827,290</u>						<u>6,222,831</u>

(h.2) Undiscounted values

Debtor	Debtor	Country	Creditor	Currency	Amortization	Effective interest rate	Nominal interest rate	Current debt	Under 3 months	3 to 12 months	Non-current debt	Over 1 year	Over 2 years	Over 3 years	Over 4 years	Over 5 years	Total debt
ID number								ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	BCI Wells Fargo Equipment Finance, Inc.	USD	Monthly	2.86%	2.86%	490,388	122,597	367,791	1,389,162	490,388	490,388	408,386	-	-	1,879,550
Foreign	Florida International Terminal LLC	USA	TD Bank	USD	Monthly	3.74%	3.74%	415,693	103,923	311,770	71,447	71,447	-	-	-	-	487,140
Foreign	Florida International Terminal LLC	USA	TD Bank	USD	Monthly	3.65%	3.30%	563,459	150,202	413,257	-	-	-	-	-	-	563,459
94.058.000-5	Aerosan Airport Services	Chile	Banco Bice	USD	Monthly	3.73%	3.73%	51,149	12,990	38,159	166,440	51,150	51,150	51,150	12,990	-	217,589
94.058.000-5	Aerosan Airport Services	Chile	Banco Bice	USD	Monthly	3.68%	3.68%	41,407	10,555	30,852	138,023	41,407	41,407	41,407	13,802	-	179,430
Foreign	Aerosan SAS	Colombia	Itaú	USD	Monthly	6.39%	6.21%	47,903	12,179	35,724	168,876	42,219	42,219	42,219	42,219	-	216,779
Foreign	Aerosan SAS	Colombia	CSI	USD	Monthly	8.47%	8.16%	2,436	812	1,624	8,119	8,119	-	-	-	-	10,555
Foreign	Aerosan SAS	Colombia	Banco de Occidente	USD	Monthly	9.73%	9.49%	582,944	-	582,944	854,119	558,587	295,532	-	-	-	1,437,063
Foreign	Intertug Colombia	Colombia	Panama Bancolombia	USD	Monthly	4.85%	4.79%	632,470	-	632,470	949,111	607,301	341,810	-	-	-	1,581,581
Foreign	Intertug Colombia	Colombia	Panama Bancolombia	USD	Monthly	4.60%	4.55%	19,486	19,486	-	-	-	-	-	-	-	19,486
								<u>2,847,335</u>			<u>3,745,297</u>						<u>6,592,632</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 21 – Other current and non-current financial liabilities (continued)

(i) Hedge liabilities as of December 31, 2022 and 2021, are detailed as follows:

Hedge description	Company	Hedged risk	Current		Non-current		Fair values	
			12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
			ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Swap	CSAV S.A.	Interest rate	373,155	-	-	-	373,155	-
Swap	Invexans S.A.	Interest rate	-	-	-	174,645	-	174,645
Swap	SM SAAM S.A.	Exchange rate	-	161,336	1,360,817	28,069,894	1,360,817	28,231,230
TOTAL			373,155	161,336	1,360,817	28,244,539	1,733,972	28,405,875

(j) Details of other non-financial liabilities as of December 31, 2022, are as follows:

Company	Debtor ID number	Creditor	Debtor country	Currency	Type of Operation	Under 90 days	90 days to 1 Year	Total current	1 to 3 years	3 to 5 years	Over 5 years	Total Non-current
						ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
SAAM S.A.	97.036.000-K	Clear Ocean Investment S.A. / Bellomare Ventures Inc.	Chile	USD	Option	-	-	-	21,141,454	-	-	21,141,454
Total								21,141,454				21,141,454

(k) Details of other financial liabilities as of December 31, 2021, are as follows:

Company	Debtor ID number	Creditor	Debtor country	Currency	Type of Operation	Under 90 days	90 days to 1 Year	Total current	1 to 3 years	3 to 5 years	Over 5 years	Total Non-current
						ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
SAAM S.A.	97.036.000-K	Clear Ocean Investment S.A. / Bellomare Ventures Inc.	Chile	USD	Option	-	-	-	16,648,840	-	-	16,648,840
Total								16,648,840				16,648,840

This financial liability recognized by the subsidiary SAAM S.A. is a purchase option at the expected value of the remaining 30% of Intertug. If the option is not exercised, the value of this liability will change in accordance with the expected strike price in the following period. These options are treated as an equity instrument. Since there is no payment, then there are no accounting entries for changes in the premium value. This applies to periods after registering the option and prior to exercising it. SM SAAM has deemed it prudent not to register the fair value of the option for accounting purposes. Therefore, the acquisition of the remaining 30% in the future will be accounted for in accordance with IFRS 10. If there are transactions with minority interests that do not result in changes in control of the subsidiary, the difference between the amount paid or received and the minority interest is recorded directly in equity, in accordance with IFRS 10.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 21 – Other current and non-current financial liabilities (continued)

(l) Balances of other financial liabilities as of December 31, 2022 are reconciled as follows.

Liabilities from financing activities	Cash flows from financing activities					Changes with no effect on cash flow			Balance as of 12/31/22
	Balance as of 01/01/22	Provided	Used	Interest paid	Total	Exchange differences and indexation	Finance costs	Other changes	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Bank loans and leases	936,697,294	1,320,874,986	(1,218,011,727)	(39,892,877)	68,916,823	20,836,123	36,791,017	(82,020,944)	975,273,872
Bonds payable	1,462,780,731	-	(37,137,476)	(47,613,124)	(84,750,600)	147,558,501	80,685,076	788,641	1,607,062,349
Total	2,399,478,025	1,320,874,986	(1,255,149,203)	(87,506,001)	(15,833,777)	168,394,624	117,476,093	(81,232,303)	2,582,336,221

(m) Balances of other financial liabilities as of December 31, 2021 are reconciled as follows.

Liabilities from financing activities	Cash flows from financing activities					Changes with no effect on cash flow			Balance as of 12/31/21
	Balance as of 01/01/21	Provided	Used	Interest paid	Total	Exchange differences and indexation	Finance costs	Other changes	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Bank loans and leases	652,908,050	591,170,822	(280,861,831)	(15,460,442)	294,848,549	91,597,272	6,105,826	(108,762,403)	936,697,294
Bonds payable	1,461,392,333	-	(101,767,971)	(48,641,730)	(150,409,701)	25,446,730	26,956,112	99,395,257	1,462,780,731
Total	2,114,300,383	591,170,822	(382,629,802)	(64,102,172)	144,438,848	117,044,002	33,061,938	(9,367,146)	2,399,478,025

Note 21 – Other current and non-current financial liabilities (continued)

(n) Service concession agreements (1)

The subsidiary SM SAAM has the following Service Concession Agreements.

Iquique Terminal Internacional S.A. (Chile)

Empresa Portuaria Iquique (EPI) through the "Concession Contract for Wharf 2 at the Port of Iquique", dated May 3, 2000, granted the indirect subsidiary Iquique Terminal Internacional S.A. (ITI) an exclusive concession to develop, maintain and operate the wharf, including the right to collect from wharf users basic rates for basic services, and special rates for special services.

The original term of the contract was 20 years from the date the wharf was provided on July 1, 2000. The Company extended the term for an additional 10 years, in order to carry out the infrastructure projects stipulated in the concession contract.

The wharf and all the assets described in the concession contract, which are required or useful to continually operate the wharf or provide services, shall be immediately transferred to EPI when the concession terminates, in good working order and free of encumbrances.

Terminal Marítima Mazatlán S.A. de C.V (Mexico)

Administración Portuaria Integral de Mazatlan (API) signed a "Partial Rights Assignment Contract" on April 16, 2012, which granted the indirect subsidiary Terminal Marítimo Mazatlan S.A. de C.V. (concessionaire) the exclusive right to use an area of water and land in the port of Mazatlán de Sinaloa, to construct works in that area and provide port services.

The concession contract is for 20 years, and can be extended to July 26, 2044.

When the concession terminates, the area and all works and improvements permanently attached to it by the concessionaire to operate the area will be transferred to API free of charge and free of encumbrances. The concessionaire will execute, at its own expense, any required repairs when the concession terminates, or if it fails to do so, it will compensate API for any damage to the area or the described assets as a result of improper handling or inadequate maintenance.

Florida International Terminal (FIT), LLC (USA)

On April 18, 2005, the indirect subsidiary Florida International Terminal (FIT) was awarded the container terminal operating concession at Port Everglades Florida USA, for an initial period of 10 years, renewable for 2 periods of 5 years each. As from July 1, 2015, FIT renegotiated the contract and lengthened it by 10 years, with the option to extend it for 2 periods of 5 years each. The terminal covers 15 hectares and has the capacity to move 170,000 containers per year through its yards. FIT customers will have docking priority at a specialized wharf with guaranteed use of reach stackers for container loading and unloading.

SAAM Towage México S.A. de C.V. (Formerly SAAM Remolques S.A. de C.V.)

Administración Portuaria Integral of Lázaro Cárdenas, Veracruz, Tampico, Altamira and Tuxpan has signed contracts to partially assign rights and obligations to the indirect subsidiary SAAM Towage Mexico S.A. de C.V., to provide port and offshore towage services in the ports, free of all encumbrances and without any limitations.

These contracts have been renewed as follows: Lázaro Cárdenas for 9 years, renewed in August 2022; Veracruz for 11 years, renewed in August 2014; Tampico for 9 years, renewed in May 2016; Altamira for 9 years, renewed in August 2014; and Tuxpan for 8 years, renewed in November 2015.

(1) Companies with discontinued operations.

Note 21 – Other current and non-current financial liabilities (continued)

Concesionaria SAAM Costa Rica S.A. (Costa Rica)

On August 11, 2006 the indirect subsidiary, Concesionaria SAAM Costa Rica S.A. was awarded the International Public Tender 03-2001, the "Public Towage Service Management Concession for the Pacific Coast" by the Instituto Costarricense de Puertos del Pacífico. The contract was countersigned by the Comptroller General of the Republic in Ruling 10711, which allowed it to begin operations on December 12, 2006. The concession term is 20 years, which can be extended for an additional 5 years.

Inarpi S.A. (Ecuador)

On September 25, 2003, the indirect subsidiary Inarpi S.A. signed a contract for "Commercialization, operation and management services of the Multipurpose Terminal" with Fertilizantes Granulados Fertigran S.A., which granted the company the exclusive right to commercialize, operate and manage the Multipurpose Terminal in the port of Guayaquil, Ecuador

The contract term is 40 years, which was extended until July 2056 in 2016, and then in 2020 until July 2071. At the end of this period, all investments and improvements mutually agreed with Fertilizantes Granulados Fertigran S.A. will form part of the Multipurpose Terminal.

Sociedad Portuaria Granelera de Caldera (Costa Rica)

On 8 February 2017, SM SAAM acquired 51% of the shares of Compañía Portuaria Granelera de Caldera S.A., hereinafter SPGC. Its main activities include providing bulk cargo loading and unloading services, as well as the design, planning, financing, construction, maintenance and operation of the new Bulk Terminal at Puerto Caldera, under the public works concession with public services regime, as established in the "Public Works Concession Contract with Public Services for the Construction and Operation of the Bulk Terminal at Puerto Caldera", signed on April 19, 2006, with the Instituto Costarricense de Puertos del Pacífico (INCOP).

The contract term is 20 years, and expires on August 11, 2026, with the option to extend the concession for up to 30 additional years. When the concession terminates, all the infrastructure works and all the rights to the acquired assets must be delivered to INCOP free of encumbrances.

Sociedad Portuaria de Caldera S.A.

On February 8, 2017, SM SAAM acquired 51% of the shares of Compañía Sociedad Portuaria de Caldera S.A., (hereinafter SPC). Its main activities include providing services related to commercial calls by any vessel requesting berths at berth one, two and three at the Port of Caldera in Costa Rica, as well as services in relation to general cargo, containers, vehicles, cargo extraction and on chassis, and in the port facilities, such as, loading and unloading, mooring, unmooring, docking, wharfage, stowage, unstowage, transfer and storage of cargo, as well as attending vessels and ships, under the public service management concession regime, as established in the "Puerto Caldera Terminal Public Service Management Concession Contract", signed on March 30, 2006 with the Instituto Costarricense de Puertos del Pacífico (INCOP).

The contract term is 20 years, and expires on August 11, 2026, with the option to extend the concession for up to 5 additional years. When the concession terminates, all the infrastructure works and all the rights to the acquired assets must be delivered to INCOP free of encumbrances.

Note 22 – Trade and other payables

As of December 31, 2022 and 2021, these are detailed as follows.

Current	12/31/22	12/31/21
	ThCh\$	ThCh\$
Trade payables	352,081,061	275,123,746
Other payables	42,204,906	29,593,322
Total	394,285,967	304,717,068
Non-current	12/31/22	12/31/21
	ThCh\$	ThCh\$
Trade payables	134,370	-
Total	134,370	-

Current trade and other payables as of December 31, 2022, are detailed as follows.

Suppliers not overdue

Amounts due by payment terms							
Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 to 365 days	Over 365 days	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	12/31/22
							ThCh\$
Products	301,272,992	284,146	201,983	-	-	-	301,759,121
Services	52,665,219	775,409	990,230	10,246,356	-	-	64,677,214
Other	18,598,642	-	-	-	-	-	18,598,642
Total	372,536,853	1,059,555	1,192,213	10,246,356	-	-	385,034,977

Trade payables past due

Amount past due by range in days							
Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	Over 181 days	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	12/31/22
							ThCh\$
Products	3,195,781	115,541	127,523	52,207	14,550	6,847	3,512,449
Services	2,962,131	1,246,132	886,671	506,669	121,532	-	5,723,135
Other	5,991	2,568	856	856	3,423	1,712	15,406
Total	6,163,903	1,364,241	1,015,050	559,732	139,505	8,559	9,250,990

Current trade and other payables as of December 31, 2021, are detailed as follows.

Suppliers not overdue

Amounts due by payment terms							
Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 to 365 days	Over 365 days	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	12/31/21
							ThCh\$
Products	185,893,459	630,983	118,257	-	-	-	186,642,699
Services	98,775,647	531,310	184,142	542,291	-	-	100,033,390
Other	14,815,954	-	-	-	-	-	14,815,954
Total	299,485,060	1,162,293	302,399	542,291	-	-	301,492,043

Trade payables past due

Amount past due by range in days							
Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	Over 181 days	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	12/31/21
							ThCh\$
Products	1,250,141	326,895	81,090	34,632	6,758	70,109	1,769,625
Services	-	557,495	352,236	201,036	317,603	-	1,428,370
Other	-	24,496	-	-	1,689	845	27,030
Total	1,250,141	908,886	433,326	235,668	326,050	70,954	3,225,025

Note 22 – Trade and other payables (continued)

As of December 31, 2022 and 2021, there are no Confirming transactions.

Suppliers' overdue balances are due to disputed invoices, among other reasons.

Note 23 – Other provisions

(a) Composition

As of December 31, 2022 and 2021, these are detailed as follows.

	Current		Non-current	
	12/31/22 ThCh\$	12/31/21 ThCh\$	12/31/22 ThCh\$	12/31/21 ThCh\$
Restructuring expenses	-	-	3,367,131	2,667,885
Profit sharing and bonuses	30,432,467	10,801,738	-	-
Legal claims	653,021	178,230	5,960,658	6,475,394
Other provisions (1) (2)	17,134,647	8,538,477	30,000,485	23,883,678
Total	48,220,135	19,518,445	39,328,274	33,026,957

(b) Other provisions

(1) Other current provisions as of December 31, 2022 and 2021, are detailed as follows:

	Current	
	12/31/22 ThCh\$	12/31/21 ThCh\$
Demurrage	10,038,382	1,201,149
Brand agreements	4,529,211	4,210,780
Contingencies	909,476	1,527,435
Service station maintenance and operational services	322,659	266,922
Commissions and insurance	268,740	83,624
Fees and consultancies	114,596	191,459
General, audit, annual report and other expenses	75,014	76,054
Municipal taxes	11,786	9,879
Other	864,783	971,175
Total	17,134,647	8,538,477

(2) Other non-current provisions as of December 31, 2022 and 2021, are detailed as follows:

	Non-current	
	12/31/22 ThCh\$	12/31/21 ThCh\$
Contingencies	18,604,709	13,121,483
Tank removal	11,395,776	10,762,195
Total	30,000,485	23,883,678

Note 23 – Other provisions (continued)

(c) Movements

Movements in other provisions for the year ended December 31, 2022, are as follows.

Movements	Restructuring	Legal claims	Other provisions	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of 01/01/2022	2,667,885	6,653,624	43,223,893	52,545,402
Additional provisions	-	164,158	27,743,688	27,907,846
Increase (decrease) in provisions	736,387	-	44,478,539	45,214,926
Transfers to discontinued operations	-	(119,102)	(66,731)	(185,833)
Provisions used	(37,141)	(486,985)	(37,111,192)	(37,635,318)
Reversal of unused provisions	-	(11,126)	(8,307)	(19,433)
Increase (decrease) in discontinued operations	-	172,884	-	172,884
Increase (decrease) in exchange differences	-	240,226	235,525	475,751
Other increases (decreases)	-	-	(927,816)	(927,816)
Total changes in provisions	699,246	(39,945)	34,343,706	35,003,007
Closing balance as of 12/31/22	3,367,131	6,613,679	77,567,599	87,548,409

Movements in other provisions for the year ended December 31, 2021, are as follows.

Movements	Restructuring	Legal claims	Other provisions	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of 1/1/2021	3,252,868	6,647,382	31,522,090	41,422,340
Additional provisions	-	19,028	15,745,048	15,764,076
Increase (decrease) in provisions	154,864	-	20,759,609	20,914,473
Acquisitions through business combinations	-	-	4,262,328	4,262,328
Provisions used	(739,847)	(961,044)	(30,955,433)	(32,656,324)
Reversal of unused provisions	-	(228,339)	-	(228,339)
Increase (decrease) in exchange differences	-	1,176,597	1,480,785	2,657,382
Other increases (decreases)	-	-	409,466	409,466
Total changes in provisions	(584,983)	6,242	11,701,803	11,123,092
Closing balance as of 12/31/21	2,667,885	6,653,624	43,223,893	52,545,402

Note 23 – Other provisions (continued)

(d) Description of main provisions

Legal claims: Provisions for legal claims are mainly estimates of disbursements for legal claims associated with cargo transported and for lawsuits and other legal proceedings. These include those resulting from investigations by antitrust authorities into the car carrier business.

Profit sharing and bonuses: Provisions for profit sharing and bonuses relate to estimates of the Company and some of its subsidiaries of profit sharing and bonuses for performance.

Restructuring expenses: Provisions for restructuring expenses contemplate future expenses to be incurred through reductions in personnel as a result of unification of functions in several companies, and reorganizations.

Other provisions: Amounts have been recognized as Other provisions with respect to concepts of contingencies, fees and consultancies received, which as of the closing date are pending payment. These include general, annual report and external audit expenses contracted but not yet paid.

Note 24 – Provisions for employee benefits

(a) Composition

As of December 31, 2022 and 2021, these are detailed as follows.

	Current		Non-current	
	12/31/22 ThCh\$	12/31/21 ThCh\$	12/31/22 ThCh\$	12/31/21 ThCh\$
Vacation accrual	10,959,010	11,382,990	-	-
Salaries and wages	19,636,854	19,748,006	-	-
Termination benefits and retirement fund	4,029,389	3,426,908	19,126,759	23,317,668
Other benefits	-	-	-	17,002
Total	<u>34,625,253</u>	<u>34,557,904</u>	<u>19,126,759</u>	<u>23,334,670</u>

Note 24 – Provisions for employee benefits (continued)

(b) Termination benefits

As of December 31, 2022 and 2021, the subsidiaries Enx and SM SAAM have collective agreements with their personnel which establish remuneration and/or short and long-term benefits.

The cost of these benefits is charged to income in Personnel expenses. The liability recorded under post-employment benefit plans is derived from employee benefit obligations and is valued using the actuarial method using actuarial assumptions such as personnel turnover and expected retirement age. The actuarial assumptions used by the subsidiaries Enx and SM SAAM as of December 31, 2022 and 2021, are detailed as follows.

(b.1) Enx

Enx has negotiated collective agreements with its employees that establish short-term and long-term employee benefits, and the main features are as follows:

- i) Short-term benefits are generally based on mixed plans or agreements intended to compensate employees, such as covering the risks of employee disability and death.
- ii) Long-term benefits are plans or agreements intended to cover post-employment benefits that arise when the employment relationship terminates.

The cost of these benefits is charged to income in Personnel expenses.

The liability recorded under post-employment benefit plans is derived from employee benefit obligations and is valued using the actuarial method, where the following actuarial assumptions were used as of December 31, 2022 and 2021:

Provision for Termination Benefits	12/31/22	12/31/21
Mortality table	M95H-M95M	M95H-M95M
Annual interest rate	5.34%	5.65%
Voluntary employee turnover rate	2.5%	2.5%
Involuntary employee turnover rate (business need)	5.0%	5.0%
Salary increase	3.50%	3.50%
Retirement age		
Men	65	65
Women	60	60
Provision for Post-Employment Benefits	12/31/22	12/31/21
Mortality table	RV-2014	RV-2014
Annual interest rate	1.90%	2.42%

Note 24 – Provisions for employee benefits (continued)

(b) Termination benefits (continued)

(b.1) Enex (continued)

Sensitivity analysis on actuarial variables

The method used to quantify the effect on the provisions for termination and post-employment benefits includes an increase and decrease of 10% in the actuarial variables used to calculate these provisions.

The actuarial variables used by Enex and its subsidiaries, to measure this liability and for the sensitivity analysis are detailed as follows:

December 31, 2022

Provision for Termination Benefits

Actuarial assumptions	Actual	
Mortality table	M95H-M95M	
Annual interest rate	5.34%	
Voluntary employee turnover rate	2.50%	
Involuntary employee turnover rate (business need)	5.00%	
Salary increase	3.50%	
Retirement age		
Men	65	
Women	60	
Effect of the change in actuarial variables	-10%	+10%
Book value as of 12-31-2022	5,741,965	5,741,965
Actuarial change	(77,883)	73,604
Book value after the actuarial change	5,664,082	5,815,569

Provision for Post-Employment Benefits:

Actuarial assumptions	Actual	
Mortality table	RV-2014	
Annual interest rate	1.90%	
Effect of the change in actuarial variables	-10%	+10%
Book value as of 12-31-2022	7,870,488	7,870,488
Actuarial change	521,219	(453,606)
Book value after the actuarial change	8,391,707	7,416,882

Note 24 – Provisions for employee benefits (continued)

(b) Termination benefits (continued)

(b.1) Enex (continued)

Sensitivity analysis on actuarial variables (continued)

December 31, 2021

Provision for termination benefits

Actuarial assumptions	-10%	Actual	+10%
Mortality table	36%	M95H-M95M	44%
Annual interest rate (in pesos)	5.09%	5.6%	6.23%
Leaving rate (annual) by Art. 159	2.25%	2.5%	2.75%
Leaving rate (annual) by Art. 161	4.50%	5.0%	5.50%
Salary increment (in pesos)	3.15%	3.5%	3.85%
Average annual future inflation	2.70%	3.0%	3.30%
Effect of the change in actuarial variables		-10%	+10%
Book value as of 12-31-2021		4,563,860	4,563,860
Actuarial change		(30,409)	27,875
Book value after the actuarial change		4,533,451	4,591,735

Provision for post-employment benefits

Actuarial assumptions	+10%	Actual	-10%
Mortality table	90%	Tables at 100% CB-2014, RV-2014-M B-2014-M	110%
Annual interest rate (in pesos)	2.18%	2.42%	2.66%
Effect of the change in actuarial variables		-10%	+10%
Book value as of 12-31-2021		6,988,121	6,988,121
Actuarial change		(474,716)	412,209
Book value after the actuarial change		6,513,405	7,400,330

(b.2) SM SAAM

The defined obligation is for termination benefits that will be paid to all employees under the collective agreements between SM SAAM and its employees.

The actuarial valuation is based on the following parameters and percentages.

- i) Discount rate of 6.37%
- ii) Salary increase rate of 6.30%
- iii) Average group employee turnover between 8.93% and 10.18% for voluntary terminations, and between 6.26% and 12.14% for dismissals.
- iv) Mortality table RV-2014.

Note 24 – Provisions for employee benefits (continued)

(b) Termination benefits (continued)

(b.2) SM SAAM (continued)

Sensitivity analysis of actuarial variables

The method used to quantify the effect on the provisions for termination benefits involves increasing and decreasing the actuarial variables used to calculate these provisions by 10%.

The actuarial variables used by SM SAAM to measure this liability and for the sensitivity analysis are as follows.

Actuarial assumptions	+10%	Actual	-10%
Discount rate	7.4%	6.73%	6.06%
Rate of salary increase	6.93%	6.30%	6.93%
(*) Employee turnover due to resignation	9.8% - 11.198%	8.93% - 10.18%	8.04% - 9.16%
(*) Employee turnover due to business need	6.89% -13.35%	6.26% -12.14%	5.63% - 10.93%

(*) Employee turnover includes the variables for each company.

The results of the analysis using these variables are detailed as follows.

Effect of +10% change in actuarial variables	12/31/22	12/31/21
	ThCh\$	ThCh\$
Book value	9,543,695	15,192,595
Actuarial change	(20,874)	(37,295)
Book value after the actuarial change	9,522,821	15,155,300

Effect of -10% change in actuarial variables	12/31/22	12/31/21
	ThCh\$	ThCh\$
Book value	9,543,695	15,192,595
Actuarial change	21,181	62,413
Book value after the actuarial change	9,564,876	15,255,008

(c) Reconciliation of present value obligation defined benefit plan

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Present value of defined benefit plan obligation, opening balance	26,744,576	26,991,217
Current service costs for defined benefit plan obligation	199,415	(293,622)
Interest costs for defined benefit plan obligation	2,734,942	2,569,222
Actuarial gains (losses) on defined benefit plan obligation	1,640,436	(1,997,331)
Increase (decrease) in foreign currency translation	1,005,030	1,090,957
Contributions paid for defined benefit plan obligation	(831,249)	(315,096)
Business combinations	(1,239,916)	(1,300,771)
Transfers to discontinued operations	(7,097,086)	-
Present value of defined benefit plan obligations, closing balance	23,156,148	26,744,576

Note 24 – Provisions for employee benefits (continued)

(d) Presentation in the statement of financial position

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Post-employment benefits		
Termination benefit liabilities, current	4,029,389	3,426,908
Termination benefit liabilities, non-current	19,126,759	23,317,668
Total termination benefit liabilities	<u>23,156,148</u>	<u>26,744,576</u>

Note 25 – Other non-financial liabilities, current

As of December 31, 2022 and 2021, these are detailed as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Dividends payable to Quiñenco shareholders	1,061,140,335	283,365,521
Dividends payable to minority shareholders of subsidiaries	484,778,755	146,875,834
Sales advances and revenue in process	8,441,346	6,846,213
Other	5,150,902	2,751,759
Total	<u>1,559,511,338</u>	<u>439,839,327</u>

Note 26 – Other non-financial liabilities, non-current

As of December 31, 2022 and 2021, these are detailed as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Payables to deceased shareholders	56,487	37,189
Total	<u>56,487</u>	<u>37,189</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 27 – Classes of financial assets and liabilities

Financial assets as of December 31, 2022 and 2021, are detailed as follows.

Description of financial assets	Category and value of financial asset	Current		Non-current		Fair value	
		12/31/22 ThCh\$	12/31/21 ThCh\$	12/31/22 ThCh\$	12/31/21 ThCh\$	12/31/22 ThCh\$	12/31/21 ThCh\$
Cash and cash equivalents	Financial assets at fair value	672,577,057	644,275,755	-	-	672,577,057	644,275,755
Equity instruments (investments in shares) Financial investments more than 90 days for current assets and more than one year for non- current assets	Financial asset at fair value (market value) held for sale	-	-	41,308,522	76,817,836	41,308,522	76,817,836
	Financial assets at fair value	52,100,140	8,257,527	1,207,688	1,193,058	53,307,828	9,450,585
Foreign exchange hedges	Fair value hedge instrument	3,183,799	440,083	18,563,509	38,856	21,747,308	478,939
Other current and non-current financial assets		55,283,939	8,697,610	61,079,719	78,049,750	116,363,658	86,747,360
Trade and other receivables	Financial asset at amortized cost	295,621,128	268,253,791	605,628	12,749,751	296,226,756	281,003,542
Related party receivables	Financial asset at amortized cost	58,743,586	44,393,825	-	1,483,082	58,743,586	45,876,907
Total financial assets		1,082,225,710	965,620,981	61,685,347	92,282,583	1,143,911,057	1,057,903,564

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 27 – Classes of financial assets and liabilities (continued)

Financial liabilities as of December 31, 2022 and 2021, are detailed as follows.

Description of financial liability	Category and value of financial liability	Current		Non-current		Fair value	
		12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
		ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Bank loans, bonds payable and other loans	Financial liabilities	598,582,524	453,826,778	2,000,543,959	1,989,566,680	2,566,077,801	2,449,703,154
Finance lease obligations	Financial liabilities	3,693,036	2,395,541	737,751	3,827,290	4,430,787	6,222,831
Foreign exchange hedges	Fair value hedge instrument	373,155	161,336	1,360,817	28,244,539	1,733,972	28,405,875
Other current & non-current financial liabilities		602,648,715	456,383,655	2,002,642,527	2,021,638,509	2,572,242,560	2,484,331,860
Trade payables, social security withholdings, taxes and other payables	Financial liabilities at amortized cost	394,285,967	304,717,068	134,370	-	394,420,337	304,717,068
Lease liabilities	Financial liabilities at amortized cost	33,281,609	34,427,031	256,721,693	242,378,462	290,003,302	276,805,493
Related party payables	Financial liability at amortized cost	1,279,511	823,145	-	-	1,279,511	823,145
Total financial liabilities		1,031,495,802	796,350,899	2,259,498,590	2,264,016,971	3,257,945,710	3,066,677,566

Note 28 – Equity

(a) Capital and number of shares

The capital of the Company as of December 31, 2022, is composed as follows.

Number of shares

Series	Number of shares subscribed	Number of shares paid	Number of shares with voting rights
Single	1,662,759,593	1,662,759,593	1,662,759,593

Share capital

	Share capital subscribed ThCh\$	Share capital paid ThCh\$
Issued capital	1,223,669,810	1,223,669,810
Share premium	31,538,354	31,538,354
	1,255,208,164	1,255,208,164

(b) Controlling shareholders

As of December 31, 2022, 82.9% of the issued and paid shares of Quiñenco S.A. are held by the companies Andsberg Inversiones SpA., Ruana Copper A.G. Agencia Chile, Inversiones Consolidadas Ltda., Inversiones Salta SpA, Inversiones Alaska Ltda., Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. The Luksburg Foundation indirectly holds 100% of the shares of Andsberg Inversiones SpA., and 100% of the social rights in Ruana Copper A.G. Agencia Chile.

Andrónico Luksic Craig and family control 100% of Inversiones Consolidadas S.A. and Inversiones Alaska Ltda. Andrónico Luksic Craig's family controls 100% of Inversiones Salta SpA. Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. are indirectly controlled by the Emian Foundation, in which the heirs of Guillermo Luksic Craig† have interests. There is no shareholder agreement between the controllers of the Company.

(c) Dividend policy

Article 79 of Chile's Corporations Law establishes that, except if unanimously agreed otherwise by shareholders of all issued shares, listed corporations should distribute a cash dividend to its shareholders on a yearly basis, prorated based on their shares or the proportion established in the company's by-laws if there are preferred shares, of at least 30% of net income for each period, except when accumulated losses from prior years must be absorbed.

The following dividends have been distributed between January 1, 2021 and December 31, 2022.

Dividend No.	Dividend type	Date agreed	Date paid	Dividend per share Ch\$
45	Final	04/29/2021	05/11/2021	74.3484
46	Final	10/07/2021	11/02/2021	171.2617
47	Final	04/29/2022	05/02/2022	170.30525
48	Final	04/29/2022	06/24/2022	298.02756

The Company's dividend policy calculates dividends based on net distributable income, which in turn is based on the total net income attributable to owners of the controller.

Note 28 – Equity (continued)

(d) Other reserves

Other reserves as of December 31, 2022 and 2021 are detailed as follows.

Other Reserves	12/31/22	12/31/21
	ThCh\$	ThCh\$
Revaluation surplus reserves	1,031,342	1,031,342
Translation adjustment reserve (1)	636,774,765	697,846,636
Cash flow hedge reserve	(11,124,226)	24,870,879
Held for sale reserves	17,579,662	(11,276,377)
Other miscellaneous reserves	(128,421,737)	(159,204,262)
Total other reserves	515,839,806	553,268,218

As of December 31, 2022 and 2021, the detail of Other miscellaneous reserves is as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Effect of sale of LQIF-D shares	131,642,239	131,642,239
Other reserves from the equity of subsidiary LQIF	143,417,916	140,816,176
Effect of changes in interest in Banco de Chile	78,652,952	78,652,952
Capital revaluation reserves and other adjustments (ruling 456)	(73,627,503)	(73,627,503)
Effect of changes in interest in Invexans	52,454,210	52,454,210
Dilution effect of non-concurrence capital increase CCU	40,399,427	40,399,427
Effect of changes in interest in CSAV	6,507,586	6,507,586
Effect of changes in interest in Tech Pack	19,389,665	19,389,665
Effect of sale of investments in Banchile and Inv. Vita	-	(1,605,751)
Other reserves from the equity of subsidiary SM SAAM	(12,854,050)	(7,398,127)
Effect of changes in interest in SM SAAM	11,339,241	11,203,586
Effect of changes in interest in CCU (2)	(36,812,240)	(36,812,240)
Other reserves from the equity of other subsidiaries	(488,337,592)	(520,236,407)
Other effects	(593,588)	(590,075)
Total other miscellaneous reserves	(128,421,737)	(159,204,262)

(1) The exchange differences in the consolidated statement of comprehensive income relate mainly to translating the US dollar functional currency of the subsidiaries Invexans, Tech Pack, Compañía Sud Americana de Vapores (CSAV) and SM SAAM to Chilean pesos in the consolidated statement of financial position.

(2) During the first half of 2021, the joint venture Inversiones y Rentas S.A. acquired 21,67,548 shares in CCU S.A., which increased its interest from 60.00% to 65.87%. The effect on equity of this transaction was recognized in Other reserves as of December 31, 2021, totaling ThCh\$(36,812,240).

Note 29 – Revenue and expenses

(a) Revenue

These are detailed for each year as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Goods sold	4,449,146,612	2,880,494,137
Services provided	441,888,109	338,952,409
Total	<u>4,891,034,721</u>	<u>3,219,446,546</u>

(b) Other expenses

These are detailed for each year as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Amortization of intangible assets	(400,720)	(400,720)
Tax contingency provision	(6,911,652)	(2,210,619)
Impairment of property, plant and equipment	(153,680)	(157,554)
Non-operational fees	(186,861)	(108,080)
Lawsuit expenses Brazil	(269,990)	(100,204)
Unrecoverable VAT and additional taxes	(1,108,065)	(740,579)
Employment litigation	(500,870)	-
Other operating expenses	(989,951)	(606,725)
Total	<u>(10,521,789)</u>	<u>(4,324,481)</u>

(c) Other gains (losses)

These are detailed for each year as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Other gains		
Gain on sale of assets	9,251,419	2,027,611
Dividends received	3,096,620	-
Recoverable taxes	867,796	-
Providing consultancy to third-parties	805,187	768,617
Gain on sale of non-controlling interests	-	1,109,728
Reversal of provision and expenses for the Brazil litigation	-	385,820
Total other gains	<u>14,021,022</u>	<u>4,291,776</u>
Other losses		
Directors' allowances, profit sharing and remuneration	(27,186,443)	(10,681,094)
Settlement of municipal taxes owed	(1,065,340)	-
Third-party consultancy fees	(794,949)	(2,724,070)
Donations	(165,559)	(178,085)
Loss on sale of non-controlling interests	-	(168,138)
Other gains (losses)	(68,027)	(523,004)
Total other losses	<u>(29,280,318)</u>	<u>(14,274,391)</u>
Total other losses, net	<u>(15,259,296)</u>	<u>(9,982,615)</u>

Note 29 – Revenue and expenses (continued)

(d) Finance costs

These are detailed for each year as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Interest on bank loans and bonds issued	(89,683,393)	(65,882,755)
Interest paid on lease contracts	(8,721,163)	(7,023,091)
Interest on other financial instruments	(2,646,609)	(4,009,633)
Bank fees, stamp taxes and other finance costs	(8,147,120)	(3,263,764)
Total	<u>(109,198,285)</u>	<u>(80,179,243)</u>

Note 30 – Employee expenses

These are detailed for each year as follows.

	12/31/22	12/31/21
	ThCh\$	ThCh\$
Wages and salaries	(165,944,990)	(126,727,689)
Short-term employee benefits	(31,919,691)	(23,568,171)
Post-employment benefits	(11,144,562)	(8,201,374)
Termination benefits	(2,505,051)	(2,887,889)
Other employee expenses	(16,985,511)	(12,050,378)
Total	<u>(228,499,805)</u>	<u>(173,435,501)</u>

Note 31 – Earnings per share

Basic earnings per share are calculated by dividing the result available to shareholders by the weighted average number of shares in circulation during the period.

The calculation as of December 31, 2020 and 2019, is as follows:

	12/31/22	12/31/21
Net income attributable to owners of the controller ThCh\$	3,535,321,747	1,893,145,641
Basic earnings available to common shareholders ThCh\$	<u>3,535,321,747</u>	<u>1,893,145,641</u>
Basic weighted average number of shares	<u>1,662,759,593</u>	<u>1,662,759,593</u>
Basic earnings per share ThCh\$	<u>2.126177327</u>	<u>1.138556439</u>

Note 32 – Environment

Quiñenco is an investment company, so is not exposed to environmental risks.

As of December 31, 2022, the subsidiaries Invexans, Tech Pack and CSAV have no environmental disbursements.

As of December 31, 2022, the subsidiary Enex disbursed ThCh\$ 1,003,924 (ThCh\$ 841,514 as of December 31, 2021) to control atmospheric emissions, change fuel tanks in the service station network, clean soil and groundwater in order to mitigate the risk of harming people and the environment, and waste removal.

Ports, tug boats and logistics services are subject to a variety of environmental laws. Violations of such laws may result in administrative sanctions, which may include closing down facilities, revoking operating licenses or imposing penalties and fines when companies behave with negligence or recklessness in relation to environmental issues. More stringent environmental laws and regulations could require additional investment to comply with these regulations, which would consequently affect investment plans. SM SAAM and its subsidiaries have civil liability insurance in favor of third parties to mitigate the risk of damage and/or contamination fines associated with its fleet of tug boats.

The Company has no commitments in relation to the environment, however, it is constantly evaluating such projects.

Note 33 – Financial risk management policy

Financial risks

Credit risk

Surplus corporate cash is invested with first-class Chilean and foreign financial entities under limits established for each entity, and which have a credit rating of at least the levels pre-established for each type of instrument.

The subsidiary Techpack manages the risk associated with financial assets in accordance with its investment policy. The company's cash surpluses are invested in accordance with its investment policy in low-risk fixed income instruments with institutions with strong credit ratings and diversified investment portfolios, subject to diversification limits by institution. Issuers and institutions that are creditworthy and the investment limits for each one, are regularly reviewed to assess potential changes in their solvency that could affect the company.

The subsidiary Invexans manages the risk associated with financial assets or liabilities at the corporate level in accordance with its policies. Cash surpluses are invested in accordance with the investment policy, in low-risk instruments (primarily time deposits) with institutions having strong credit ratings and within the limits established for each institution. Management selects institutions with strong credit ratings for its financial hedges.

In Invexans' energy segment, Enex manages customer credit risk at the energy subsidiary Invexans, in accordance with its credit policy and its authorizations manual. Sales with credit are controlled by the management system by blocking purchase orders. The Finance and Administration Department at Enex approves customer credit lines, with the support and recommendation of commercial areas, in accordance with a credit evaluation model that takes into account both commercial and technical aspects. When considered appropriate, guarantees and other requirements are requested in support of the credit. Should the credit granted be insufficient to meet commercial needs, the case is taken to the credit committee.

Enex's financial investments are limited to fixed-income instruments, such as resale agreements and time deposits, with financial entities that are evaluated at least once a year, with exposure limits assigned by entity according to reports and opinions issued by prestigious and experienced credit rating agencies, in line with Enex's current treasury policy.

Note 33 – Financial risk management policy (continued)

The subsidiary LQ Inversiones Financieras has no receivables subject to credit risk. Cash surpluses are invested under market conditions in fixed-income instruments, according to the maturities of its financial commitments and operating expenses.

The subsidiary CSAV has no direct customers. The subsidiary CSAV has an investment policy to manage its financial assets, which include time deposits, resale agreements and hedge contracts, whereby its checking accounts and investments are held in financial institutions with investment grade credit ratings. It may also contract financial hedges to cover its interest rate and exchange rate risks within its risk control policy. As of December 31, 2022, CSAV has foreign exchange and interest rate hedge contracts.

Credit granted to customers at the subsidiary SM SAAM is initially evaluated by a Committee and regularly reviewed, in order to apply the corresponding policies and to monitor the status of receivables pending collection.

Cash surpluses at the subsidiary SM SAAM can be invested in low-risk financial instruments.

See Note 27 Classes of financial assets and liabilities, for details of the balances of financial assets.

Liquidity risk

Quiñenco finances its activities and investments with dividend and profit distributions from the companies in which it holds an interest and with funds obtained from the sale of assets and by issuing debt and shares.

Quiñenco prefers long-term financing in order to maintain a financial structure in line with the liquidity of its assets and whose maturities are compatible with cash flow generation.

The subsidiary Invexans regularly estimates its liquidity requirements at the corporate level for each period by evaluating its forecast revenue, commercial and finance costs, and its available cash. Invexan's financing policy seeks funding sources with a balanced structure between short and long term, low risk exposure and aligned with the company's investment income (mainly dividends).

In Invexans' energy segment, Enx regularly updates its short-term cash flow projections based on information received from its commercial department. Enx has credit lines with its main banks, in order to cover potential unexpected cash deficits.

The capital management policy at Techpack aims to ensure the liquidity and availability of resources, and ensure that it has sufficient liquidity.

LQIF distributes dividends based on available cash flow taking into account the company's actual and forecast costs, including financial obligations. The main source of funds to pay interest and capital on the financial obligations of LQIF are the dividends received from its direct and indirect shareholdings in Banco de Chile. Consequently, its ability to meet the scheduled payments of interest and principal depends entirely on the ability of Banco de Chile to generate positive net income from its operations, and the agreements approved annually at shareholders' meetings regarding the distribution of dividends.

CSAV is not directly exposed to the container shipping business, but indirectly as one of the main shareholders of Hapag-Lloyd. This limits liquidity risk to the expected flow of dividends or any additional capital required by this joint venture. CSAV has specific long-term borrowing to finance its investment in Hapag-Lloyd. CSAV has sufficient liquidity to cover its obligations.

The subsidiary SM SAAM estimates its forecast liquidity needs for each year, covering receipts such as customer receivables and dividends, payments such as commercial and financial liabilities, and available cash balances. SM SAAM ensures that financing has a balanced short and long-term structure, a low risk exposure and repayments match the company's cash flows.

See Note 21 on Other current and non-current financial liabilities for details of the balances and maturities of financial debt.

Note 33 – Financial risk management policy (continued)

Market risk

Market risk exposure refers to exposure to financial assets and liabilities.¹

Exchange rate risk

As of December 31, 2022, the net corporate exposure to exchange rate risk is an asset equivalent to Ch\$85 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch\$4 million.

Exposure to exchange rate risk at the subsidiary Invexans derives from financial asset and liability positions held in currencies other than its functional currency, which is the US dollar, and the related appreciations/depreciations between both currencies. The Board and management at Invexans regularly review its net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be forecast for Invexans, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2022, the net corporate exposure to exchange rate risk at Invexans is an asset equivalent to Ch\$38,741 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch\$1,937 million. As of December 31, 2022, the net exposure to exchange rate risk in the energy segment is a liability equivalent to Ch\$365,753 million. If there is a 5% change in the exchange rate of currencies other than the functional currency, the estimated effect on comprehensive income before tax would be Ch\$18,288 million.

Exposure to exchange rate risk at Techpack arises from exchange differences on potential mismatches in asset and liability positions denominated in a currency other than the functional currency (US dollar). The Board and management of Techpack and its subsidiaries and associates regularly review their net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be projected for Techpack, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2022, Techpack's net exposure to exchange rate risk is a liability equivalent to Ch\$9 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch\$0.5 million.

The subsidiary LQIF has no exposure to exchange rate risk as it has no foreign currency assets or liabilities as of December 31, 2022 and 2021.

The subsidiary CSAV has assets and liabilities primarily denominated in its functional currency, the US dollar. However, it also has assets and liabilities in other currencies. The company reduces the risk of exchange-rate fluctuations by regularly converting any balance in local currency that exceeds payment needs in that currency to US dollars. As of December 31, 2022, the net exposure to exchange rate risk at CSAV is an asset equivalent to Ch\$8,550 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch\$428 million.

The major currencies to which the subsidiary SM SAAM is exposed, other than the functional currency (US dollar), are the Chilean peso, Mexican peso, Canadian dollar, Colombian peso and Guatemalan quetzal. SM SAAM normally mitigates volatility in its results, caused by net positions of assets and liabilities in foreign currencies, using hedging instruments. As of December 31, 2022, the net exposure to exchange rate risk at SM SAAM is a liability equivalent to Ch\$115,609 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch\$5,780 million.

¹ This exposure is measured on a consolidated basis, where any balances between subsidiaries have already been eliminated in consolidation. In some cases these individual balances may affect consolidated financial performance with a corresponding equal effect on equity.

Note 33 – Financial risk management policy (continued)

Exchange differences produced by translating to Chilean pesos balances in the functional currencies of consolidated entities or associates whose functional currency is other than the Chilean peso, are recognized as a credit or charge to equity, until they are settled when they are recognized in net income.

Note 35 contains the detail of assets and liabilities by currency, which includes the financial assets and liabilities described here.

Interest rate risk

As of December 31, 2022, Quiñenco has corporate financial assets at fair value through profit and loss of Ch \$273,071 million, which are subject to interest rate risk. A change of 10 basis points in the interest rate would generate an effect on finance income for the year of Ch\$36 million.

Quiñenco has all its corporate financial obligations at fixed interest rates, which implies a low exposure to interest-rate risk.

Invexans corporate has 66.8% of its obligations at fixed rates and 33.2% at variable rates.

The energy segment of Invexans has all its financial obligations at variable interest rates.

As of December 31, 2022, TechPack has no financial obligations that expose it to interest rate risks.

LQIF holding has all its financial obligations at fixed interest rates, which implies a low exposure to interest rate risk.

CSAV has 99.0% of its obligations at fixed rates and 1.0% at variable rates.

SM SAAM has 54.3% of its obligations at fixed rates, 20.9% at protected rates and 24.8% at variable rates.

The consolidated interest-rate structure is as follows: As can be seen, the consolidated interest-rate risk is low, as 81.9% of debt is structured with fixed or protected interest rates.

Consolidated Financial Liabilities by type of interest rate	12-31-2022	12-31-2021
Fixed interest rate	78.5%	78.5%
Protected interest rate	3.4%	5.3%
Variable interest rate	18.1%	16.2%
Total	100.0%	100.0%

As of December 31, 2022, the consolidated exposure to variable interest rates was a liability of Ch\$466,431 million. A 100-basis-point change in the interest rate would generate an effect on finance costs for the 12-month period of Ch\$4,664 million.

Note 34 – Segment reporting

General information

Quiñenco is structured on the basis of the industrial and financial businesses where its financial resources are invested, and has defined six business segments: Manufacturing, Financial, Energy, Transport, Port Services and Other.

The Manufacturing segment includes Tech Pack, Invexans and their subsidiaries (excluding Enex).

The Financial segment includes LQIF and its subsidiaries.

The Energy segment includes Enex and its subsidiaries.

The Transport segment includes CSAV and its subsidiaries.

The Port Services segment includes SM SAAM and subsidiaries.

The Other segment includes Quiñenco corporate, CCU, others and eliminations.

In order to determine segment reporting, those exceeding 10% of the consolidated revenue and the particular information characteristics of the group have been considered.

Quiñenco, as an investment company, defines its revenue as sales of goods and services at its subsidiaries and the net revenue of the banking sector (Banco de Chile).

Geographical area

Revenue from external customers by geographical area as of December 31, 2022 and 2021, is as follows.

	Continuing operations		Discontinued operations	
	12/31/22	12/31/21	12/31/22	12/31/21
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Chile	3,917,618,666	2,558,013,706	-	-
South America	267,395,257	206,715,893	173,515,357	155,054,894
Central America	37,716,702	30,325,775	56,629,781	49,469,352
North America	668,304,096	424,391,172	73,466,573	55,160,241
Total revenue from external customers	4,891,034,721	3,219,446,546	303,611,711	259,684,487

Non-current assets by geographical area as of December 31, 2022 and 2021, are detailed as follows.

(*) Includes balances of property, plant and equipment, investment properties and intangible assets other than goodwill.

	Continuing operations		Discontinued operations	
	12/31/22	12/31/21	12/31/22	12/31/21
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
South America	776,681,277	904,210,408	181,184,707	176,622,146
Central America	70,483,494	147,760,777	59,449,747	72,576,610
North America	534,372,452	484,960,180	50,523,128	52,652,907
Total non-current assets (*)	1,381,537,223	1,536,931,365	291,157,582	301,851,663

Note 34 – Segment reporting (continued)

Net income attributable to owners of the controller for each segment consists of the final contribution from each segment and the companies they comprise, to Quiñenco's net income.

As of December 31, 2022, the results by segment are as follows.

Income Statement	Segments December 2022						
	Manufacturing ThCh\$	Financial ThCh\$	Energy ThCh\$	Transport ThCh\$	Port Services ThCh\$	Other ThCh\$	Total ThCh\$
Non-banking sector							
Revenue	87,664	-	4,486,363,275	-	404,206,916	376,866	4,891,034,721
Cost of sales	-	-	(3,991,762,516)	-	(284,773,143)	(239,855)	(4,276,775,514)
Gross margin	87,664	-	494,600,759	-	119,433,773	137,011	614,259,207
Other revenue by function	3,253,761	-	-	-	4,706,038	-	7,959,799
Administrative expenses	(4,746,398)	(3,086,576)	(362,165,206)	(35,108,832)	(65,317,421)	(36,849,347)	(507,273,780)
Other expenses by function	(269,990)	(400,720)	(7,799,757)	-	(2,051,322)	-	(10,521,789)
Other gains (losses)	1,474,028	-	3,555,995	128,325	6,679,217	(27,096,861)	(15,259,296)
Operating income	(200,935)	(3,487,296)	128,191,791	(34,980,507)	63,450,285	(63,809,197)	89,164,141
Finance income	2,933,024	1,201,204	3,860,833	1,680,345	2,170,764	22,081,491	33,927,661
Finance costs	(625,853)	(10,079,277)	(24,843,404)	(19,045,834)	(17,250,885)	(37,353,032)	(109,198,285)
Share of income of associates and joint ventures accounted for using the equity method	65,248,599	-	(3,115,745)	4,685,655,044	1,438,729	26,142,333	4,775,368,960
Exchange differences	(72,807)	-	(3,224,347)	(4,764,810)	(176,604)	(1,517)	(8,240,085)
Gain (loss) from indexation adjustments	3,093,260	(27,449,211)	-	-	523,674	(136,894,903)	(160,727,180)
Net income (loss) before taxes	70,375,288	(39,814,580)	100,869,128	4,628,544,238	50,155,963	(189,834,825)	4,620,295,212
Income tax (expense) income	2,071,303	(1,180,127)	(20,749,074)	217,603,707	(23,050,703)	(11,454,064)	163,241,042
Net income (loss) from continued operations	72,446,591	(40,994,707)	80,120,054	4,846,147,945	27,105,260	(201,288,889)	4,783,536,254
Net income (loss) from discontinued operations	-	-	-	(65,506)	18,160,575	1,565,680	19,660,749
Net income (loss) from non-banking sector	72,446,591	(40,994,707)	80,120,054	4,846,082,439	45,265,835	(199,723,209)	4,803,197,003
Banking sector							
Revenue	-	3,117,432,024	-	-	-	-	3,117,432,024
Operating expenses	-	(995,483,413)	-	-	-	-	(995,483,413)
Operating income before credit loss expense	-	2,121,948,611	-	-	-	-	2,121,948,611
Credit loss expense	-	(435,117,020)	-	-	-	-	(435,117,020)
Net income before taxes	-	1,686,831,591	-	-	-	-	1,686,831,591
Income tax expense	-	(275,756,597)	-	-	-	-	(275,756,597)
Net income from continuing operations	-	1,411,074,994	-	-	-	-	1,411,074,994
Net income from banking sector	-	1,411,074,994	-	-	-	-	1,411,074,994
Consolidated net income (loss)	72,446,591	1,370,080,287	80,120,054	4,846,082,439	45,265,835	(199,723,209)	6,214,271,997
Net income (loss) attributable to owners of the controller	72,418,297	340,036,335	80,120,054	3,220,440,080	20,994,364	(198,687,383)	3,535,321,747
Net income (loss) attributable to non-controlling interests	28,294	1,030,043,952	-	1,625,642,359	24,271,471	(1,035,826)	2,678,950,250
Consolidated net income (loss)	72,446,591	1,370,080,287	80,120,054	4,846,082,439	45,265,835	(199,723,209)	6,214,271,997

Eliminations from consolidation adjustments of the banking sector are presented net in the financial segment.

Note 34 – Segment reporting (continued)

Depreciation, amortization and cash flows by segment for the year ended December 31, 2022, are as follows.

	Manufacturing	Financial	Energy	Transport	Port Services	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Depreciation and amortization	(9,776)	(440,938)	(58,102,803)	(360,103)	(74,316,282)	(1,449,453)	(134,679,355)
Cash flows from non-banking sector							
Operating cash flows	16,032,344	(755,927)	58,537,453	(25,708,523)	91,208,385	(78,134,823)	61,178,909
Investing cash flows	9,095,943	(297,451)	(139,396,577)	1,247,315,190	(152,415,972)	77,347,405	1,041,648,538
Financing cash flows	(18,420,150)	(273,302,687)	70,089,785	(1,135,920,389)	(142,530,380)	141,553,346	(1,358,530,475)
Cash flows from banking sector							
Operating cash flows	-	486,020,250	-	-	-	44,167,601	530,187,851
Investing cash flows	-	(894,001,839)	-	-	-	-	(894,001,839)
Financing cash flows	-	(539,107,700)	-	-	-	591,985	(538,515,715)

Assets and liabilities by segment as of December 31, 2022, are as follows.

	Manufacturing	Financial	Energy	Transport	Port Services	Port Services	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	Continuing Operations	Discontinued Operations	ThCh\$	ThCh\$
					ThCh\$	ThCh\$		
Current assets	172,508,851	525,677	640,365,578	523,247,308	276,342,644	197,085,728	681,484,459	2,491,560,245
Non-current assets	529,349,319	845,220,199	1,138,657,541	8,289,467,915	795,021,192	349,180,611	28,830,041	11,975,726,818
Banking assets	-	55,105,262,579	-	-	-	-	-	55,105,262,579
Total assets	701,858,170	55,951,008,455	1,779,023,119	8,812,715,223	1,071,363,836	546,266,339	710,314,500	69,572,549,642
Current liabilities	30,323,204	20,990,337	546,369,042	1,944,514,761	298,280,314	80,249,177	32,201,721	2,952,928,556
Non-current liabilities	20,765,641	270,480,494	477,877,990	94,305,722	387,451,625	175,825,706	1,070,947,677	2,497,654,855
Banking liabilities	-	50,120,552,212	-	-	-	-	-	50,120,552,212
Total liabilities	51,088,845	50,412,023,043	1,024,247,032	2,038,820,483	685,731,939	256,074,883	1,103,149,398	55,571,135,623

Eliminations from consolidation adjustments of the banking sector are presented net in the financial segment.

Note 34 – Segment reporting (continued)

Net income attributable to owners of the controller for each segment consists of the final contribution from each segment and the companies they comprise, to Quiñenco's net income.

As of December 31, 2021, the results by segment are as follows.

Income Statement	Segments December 2021						
	Manufacturing ThCh\$	Financial ThCh\$	Energy ThCh\$	Transport ThCh\$	Port Services ThCh\$	Other ThCh\$	Total ThCh\$
Non-banking sector							
Revenue	78,317	-	2,908,183,911	-	310,915,079	269,239	3,219,446,546
Cost of sales	-	-	(2,547,618,737)	-	(201,445,759)	(221,963)	(2,749,286,459)
Gross margin	78,317	-	360,565,174	-	109,469,320	47,276	470,160,087
Other revenue by function	4,332,003	-	-	385,097	3,975,100	-	8,692,200
Administrative expenses	(4,136,538)	(1,030,830)	(262,806,843)	(18,558,023)	(54,214,909)	(28,687,783)	(369,434,926)
Other expenses by function	(100,204)	(400,720)	(2,769,530)	-	(1,054,027)	-	(4,324,481)
Other gains (losses)	1,050,902	620	150,760	98,634	1,871,622	(13,155,153)	(9,982,615)
Operating income	1,224,480	(1,430,930)	95,139,561	(18,074,292)	60,047,106	(41,795,660)	95,110,265
Finance income	994,966	39,447	2,228,962	115,524	521,675	2,197,116	6,097,690
Finance costs	(476,264)	(9,089,016)	(13,060,232)	(9,313,852)	(15,136,956)	(33,102,923)	(80,179,243)
Share of income of associates and joint ventures accounted for using the equity method	40,304,652	-	94,691	2,499,023,637	1,478,277	58,021,016	2,598,922,273
Exchange differences	(4,287,440)	-	(6,254,659)	(5,952,596)	1,820,523	32,475	(14,641,697)
Gain (loss) from indexation adjustments	1,491,791	(13,211,371)	-	-	24,406	(64,769,399)	(76,464,573)
Net income (loss) before taxes	39,252,185	(23,691,870)	78,148,323	2,465,798,421	48,755,031	(79,417,375)	2,528,844,715
Income tax (expense) income	(202,602)	1,699,193	(16,746,868)	25,748,358	(23,104,049)	7,824,132	(4,781,836)
Net income (loss) from continued operations	39,049,583	(21,992,677)	61,401,455	2,491,546,779	25,650,982	(71,593,243)	2,524,062,879
Net income (loss) from discontinued operations	(134,278)	-	-	5,546	36,484,942	-	36,356,210
Net income (loss) from non-banking sector	38,915,305	(21,992,677)	61,401,455	2,491,552,325	62,135,924	(71,593,243)	2,560,419,089
Banking sector							
Revenue	-	2,199,216,811	-	-	-	-	2,199,216,811
Operating expenses	-	(871,487,110)	-	-	-	-	(871,487,110)
Operating income before credit loss expense	-	1,327,729,701	-	-	-	-	1,327,729,701
Credit loss expense	-	(357,065,531)	-	-	-	-	(357,065,531)
Net income before taxes	-	970,664,170	-	-	-	-	970,664,170
Income tax expense	-	(178,279,956)	-	-	-	-	(178,279,956)
Net income from continuing operations	-	792,384,214	-	-	-	-	792,384,214
Net income from banking sector	-	792,384,214	-	-	-	-	792,384,214
Consolidated net income (loss)	38,915,305	770,391,537	61,401,455	2,491,552,325	62,135,924	(71,593,243)	3,352,803,303
Net income (loss) attributable to owners of the controller	38,843,646	191,864,741	61,401,455	1,640,486,243	31,390,192	(70,840,636)	1,893,145,641
Net income (loss) attributable to non-controlling interests	71,659	578,526,796	-	851,066,082	30,745,732	(752,607)	1,459,657,662
Consolidated net income (loss)	38,915,305	770,391,537	61,401,455	2,491,552,325	62,135,924	(71,593,243)	3,352,803,303

Eliminations from consolidation adjustments of the banking sector are presented net in the financial segment.

Note 34 – Segment reporting (continued)

Depreciation, amortization and cash flows by segment for the year ended December 31, 2021, are as follows.

	Manufacturing ThCh\$	Financial ThCh\$	Energy ThCh\$	Transport ThCh\$	Port Services ThCh\$	Other ThCh\$	Total ThCh\$
Depreciation and amortization	(9,172)	(435,230)	(48,124,368)	(130,134)	(60,050,155)	(1,172,292)	(109,921,351)
Cash flows from non-banking sector							
Operating cash flows	7,019,824	573,274	135,242,410	(14,829,066)	66,807,280	(35,177,962)	159,635,760
Investing cash flows	(23,530,954)	2,852,267	(58,656,435)	159,099,699	13,008,455	106,146,996	198,920,028
Financing cash flows	(259,664)	(114,394,135)	(94,519,206)	(187,631,959)	(67,991,041)	(66,855,995)	(531,652,000)
Cash flows from banking sector							
Operating cash flows	-	4,178,312,931	-	-	-	34,599,463	4,212,912,394
Investing cash flows	-	(2,998,114,938)	-	-	-	-	(2,998,114,938)
Financing cash flows	-	(193,950,020)	-	-	-	241,686	(193,708,334)

Assets and liabilities by segment as of December 31, 2021, are as follows.

	Manufacturing ThCh\$	Financial ThCh\$	Energy ThCh\$	Transport ThCh\$	Port Services Continuing Operations ThCh\$	Port Services Discontinued Operations ThCh\$	Other ThCh\$	Total ThCh\$
Current assets	115,386,939	237,085	433,619,179	21,727,916	385,765,078	130,372,833	151,767,971	1,238,877,001
Non-current assets	524,389,085	845,637,954	1,016,057,328	5,069,923,370	755,169,971	369,211,465	370,996,391	8,951,385,564
Banking assets	-	51,626,093,671	-	-	-	-	-	51,626,093,671
Total assets	639,776,024	52,471,968,710	1,449,676,507	5,091,651,286	1,140,935,049	499,584,298	522,764,362	61,816,356,236
Current liabilities	9,008,620	15,681,799	323,107,443	834,458,237	143,205,364	69,673,410	(88,201,319)	1,306,933,554
Non-current liabilities	15,222,758	254,833,639	469,047,910	131,248,638	505,474,441	133,703,446	1,019,418,804	2,528,949,636
Banking liabilities	-	47,259,609,538	-	-	-	-	-	47,259,609,538
Total liabilities	24,231,378	47,530,124,976	792,155,353	965,706,875	648,679,805	203,376,856	931,217,485	51,095,492,728

Eliminations from consolidation adjustments of the banking sector are presented net in the financial segment.

Note 35 – Effect of changes in foreign exchange rates

(a) Non-banking sector assets by local and foreign currency as of December 31, 2022, are detailed as follows.

Assets	Chilean	Unidad de	Argentinean	Brazilian	Colombian	Other			
Non-banking sector	US dollars	pesos	Fomento	Euros	pesos	reals	pesos	Other	
Current assets	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Cash and cash equivalents	383,312,794	249,268,217	-	15,271,737	-	1,193,069	-	23,531,240	672,577,057
Other financial assets, current	2,748,167	52,068,517	812	-	-	-	-	466,443	55,283,939
Other non-financial assets, current	9,237,159	64,782,437	-	-	-	2,367,309	-	6,322,238	82,709,143
Trade and other receivables, current	45,357,674	222,918,252	5,153	458	-	8,060,489	-	19,279,102	295,621,128
Related party receivables, current	7,228,070	51,515,516	-	-	-	-	-	-	58,743,586
Inventory, current	26,762,743	199,048,216	-	-	-	-	-	1,452,394	227,263,353
Current tax assets	21,934,892	11,428,796	-	438,829,994	-	-	-	3,507,318	475,701,000
Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners	496,581,499	851,029,951	5,965	454,102,189	-	11,620,867	-	54,558,735	1,867,899,206
Non-current assets or disposal groups classified as held for sale	558,665,318	23,887,053	-	-	-	-	-	41,108,668	623,661,039
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	558,665,318	23,887,053	-	-	-	-	-	41,108,668	623,661,039
Total current assets	1,055,246,817	874,917,004	5,965	454,102,189	-	11,620,867	-	95,667,403	2,491,560,245
Non-current assets									
Other financial assets, non-current	19,934,621	40,418,473	-	-	-	726,625	-	-	61,079,719
Other non-financial assets, non-current	2,118,352	662,625	-	13,694	-	11,615,034	-	190,001	14,599,706
Receivables, non-current	135,226	443,335	27,067	-	-	-	-	-	605,628
Related party receivables, non-current	-	-	-	-	-	-	-	-	-
Inventory, non-current	3,327,583	-	-	-	-	-	-	125,812	3,453,395
Investments accounted for using the equity method	85,133	390,295,327	-	8,291,995,520	-	-	-	23,459,978	8,705,835,958
Intangible assets other than goodwill	47,706,662	193,198,735	-	-	-	-	-	9,169,685	250,075,082
Goodwill	152,851,460	849,546,737	-	-	-	-	-	-	1,002,398,197
Property, plant and equipment	708,236,636	307,756,439	-	-	-	-	-	99,824,942	1,115,818,017
Right-of-use assets	84,867,078	-	204,601,888	-	-	-	-	-	289,468,966
Investment properties	9,979,546	5,664,578	-	-	-	-	-	-	15,644,124
Tax assets, non-current	-	-	-	-	-	-	-	-	-
Deferred tax assets	461,414,616	53,749,214	-	-	-	-	-	1,584,196	516,748,026
Total non-current assets	1,490,656,913	1,841,735,463	204,628,955	8,292,009,214	-	12,341,659	-	134,354,614	11,975,726,818
Total non-banking assets	2,545,903,730	2,716,652,467	204,634,920	8,746,111,403	-	23,962,526	-	230,022,017	14,467,287,063

Note 35 – Effect of changes in foreign exchange rates (continued)

(b) Non-banking sector liabilities by domestic and foreign currency as of December 31, 2022, are detailed as follows:

Liabilities	Chilean	Unidad de	Argentinean	Brazilian	Colombian	Other			
Non-banking sector	US dollars	pesos	Fomento	Euros	pesos	reals	pesos	Other currencies	Total
Current liabilities	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Other financial liabilities, current	462,968,059	55,778,964	62,094,380	465,588	-	438,200	577,705	20,325,819	602,648,715
Lease liabilities, current	14,215,834	-	19,065,775	-	-	-	-	-	33,281,609
Trade and other payables, non-current	54,923,178	329,755,910	47,779	181,442	-	2,695,959	-	6,681,699	394,285,967
Related party payables, current	837,887	441,624	-	-	-	-	-	-	1,279,511
Other short-term provisions	13,999,752	34,069,099	93,579	57,705	-	-	-	-	48,220,135
Current tax liabilities	824,193	32,641,428	-	8,398,537	-	784,824	-	2,720,779	45,369,761
Provisions for employee benefits, current	1,273,520	22,318,842	-	-	-	3,204,340	-	7,828,551	34,625,253
Other non-financial liabilities, current	36,979,979	1,518,853,307	-	-	-	-	2,134	3,675,918	1,559,511,338
Total current liabilities other than liabilities included in asset disposal groups classified as held for sale	586,022,402	1,993,859,174	81,301,513	9,103,272	-	7,123,323	579,839	41,232,766	2,719,222,289
Liabilities included in disposal groups classified as held for sale	182,577,191	15,372,101	-	-	-	-	-	35,756,975	233,706,267
Total current liabilities	768,599,593	2,009,231,275	81,301,513	9,103,272	-	7,123,323	579,839	76,989,741	2,952,928,556
Non-current liabilities									
Other financial liabilities, non-current	451,181,532	77,216,545	1,459,087,169	-	-	1,131,447	2,026,676	11,999,158	2,002,642,527
Lease liabilities, non-current	69,628,544	-	187,093,149	-	-	-	-	-	256,721,693
Trade and other payables, non-current	134,370	-	-	-	-	-	-	-	134,370
Related party payables, non-current	-	-	-	-	-	-	-	-	-
Other long-term provisions	10,221,985	14,812,413	-	-	-	14,293,876	-	-	39,328,274
Deferred tax liabilities	57,889,963	107,630,524	-	-	-	-	-	14,124,258	179,644,745
Provisions for employee benefits, non-current	944,014	17,881,482	-	-	-	-	-	301,263	19,126,759
Other non-financial liabilities, non-current	4,279	52,208	-	-	-	-	-	-	56,487
Total non-current liabilities	590,004,687	217,593,172	1,646,180,318	-	-	15,425,323	2,026,676	26,424,679	2,497,654,855
Total non-banking liabilities	1,358,604,280	2,226,824,447	1,727,481,831	9,103,272	-	22,548,646	2,606,515	103,414,420	5,450,583,411

Note 35 – Effect of changes in foreign exchange rates (continued)

(c) Non-banking sector assets by local and foreign currency as of December 31, 2021, are detailed as follows.

Assets	Chilean	Unidad de	Argentinean	Brazilian	Colombian	Other			
Non-banking sector	US dollars	pesos	Fomento	Euros	pesos	reals	pesos	currencies	Total
Current assets	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Cash and cash equivalents	395,108,435	229,346,707	-	198,281	784	1,602,377	-	18,019,171	644,275,755
Other financial assets, current	8,417,953	230,665	-	-	-	-	-	48,992	8,697,610
Other non-financial assets, current	10,396,247	14,123,297	-	-	-	1,794,122	-	4,549,500	30,863,166
Trade and other receivables, current	59,802,516	185,400,529	-	-	-	7,510,139	-	15,540,607	268,253,791
Related party receivables, current	6,471,159	37,922,666	-	-	-	-	-	-	44,393,825
Inventory, current	28,746,491	102,473,567	-	-	-	-	-	1,326,163	132,546,221
Current tax assets	19,092,529	5,747,797	-	-	-	-	-	2,737,640	27,577,966
Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners	528,035,330	575,245,228	-	198,281	784	10,906,638	-	42,222,073	1,156,608,334
Non-current assets or disposal groups classified as held for sale	81,853,924	375,042	-	-	-	-	-	39,701	82,268,667
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	81,853,924	375,042	-	-	-	-	-	39,701	82,268,667
Total current assets	609,889,254	575,620,270	-	198,281	784	10,906,638	-	42,261,774	1,238,877,001
Non-current assets									
Other financial assets, non-current	36,947,940	40,458,156	-	-	-	603,953	-	39,701	78,049,750
Other non-financial assets, non-current	2,191,970	668,101	-	845	-	10,303,515	-	226,377	13,390,808
Receivables, non-current	12,032,609	717,142	-	-	-	-	-	-	12,749,751
Related party receivables, non-current	1,474,829	8,253	-	-	-	-	-	-	1,483,082
Inventory, non-current	1,682,622	845	-	-	-	-	-	-	1,683,467
Investments accounted for using the equity method	63,491,124	400,643,656	-	5,256,934,942	-	-	-	10,248,624	5,731,318,346
Intangible assets other than goodwill	152,185,065	193,035,266	-	-	-	-	-	25,624,516	370,844,847
Goodwill	143,812,696	849,546,479	-	-	-	-	-	-	993,359,175
Property, plant and equipment	775,168,201	295,351,572	-	-	-	-	-	77,346,574	1,147,866,347
Right-of-use assets	105,765,323	-	179,347,960	-	-	-	-	-	285,113,283
Investment properties	12,491,594	5,728,577	-	-	-	-	-	-	18,220,171
Tax assets, non-current	-	-	-	-	-	-	-	-	-
Deferred tax assets	245,560,112	43,258,135	-	-	-	-	-	8,488,290	297,306,537
Total non-current assets	1,552,804,085	1,829,416,182	179,347,960	5,256,935,787	-	10,907,468	-	121,974,082	8,951,385,564
Total non-banking assets	2,162,693,339	2,405,036,452	179,347,960	5,257,134,068	784	21,814,106	-	164,235,856	10,190,262,565

Note 35 – Effect of changes in foreign exchange rates (continued)

(b) Non-banking liabilities by domestic and foreign currency as of December 31, 2021, are detailed as follows:

Liabilities	Chilean	Unidad de	Argentinean	Brazilian	Colombian	Other			
Non-banking sector	US dollars	pesos	Fomento	Euros	pesos	reals	pesos	Other currencies	Total
Current liabilities	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Other financial liabilities, current	376,291,964	20,881,583	55,422,516	-	-	403,762	398,694	2,985,136	456,383,655
Lease liabilities, current	18,066,230	-	16,360,801	-	-	-	-	-	34,427,031
Trade and other payables, non-current	84,348,336	210,840,682	1,005,143	113,273	548	1,893,147	-	6,515,939	304,717,068
Related party payables, current	-	823,145	-	-	-	-	-	-	823,145
Other short-term provisions	11,419,028	7,835,819	110,989	71,674	-	-	-	80,935	19,518,445
Current tax liabilities	5,317,324	6,200,425	-	-	-	1,018,696	-	4,127,155	16,663,600
Provisions for employee benefits, current	7,828,587	18,194,569	-	-	-	2,727,504	-	5,807,244	34,557,904
Other non-financial liabilities, current	146,764,162	292,015,079	-	-	-	-	-	1,060,086	439,839,327
Total current liabilities other than liabilities included in asset disposal groups classified as held for sale	650,035,631	556,791,302	72,899,449	184,947	548	6,043,109	398,694	20,576,495	1,306,930,175
Liabilities included in disposal groups classified as held for sale	-	845	-	-	-	-	-	2,534	3,379
Total current liabilities	650,035,631	556,792,147	72,899,449	184,947	548	6,043,109	398,694	20,579,029	1,306,933,554
Non-current liabilities									
Other financial liabilities, non-current	563,451,074	91,716,440	1,322,702,539	-	-	1,438,506	-	42,329,950	2,021,638,509
Lease liabilities, non-current	77,868,328	-	164,510,134	-	-	-	-	-	242,378,462
Trade and other payables, non-current	-	-	-	-	-	-	-	-	-
Related party payables, non-current	-	-	-	-	-	-	-	-	-
Other long-term provisions	10,957,319	13,481,689	-	-	-	8,587,949	-	-	33,026,957
Deferred tax liabilities	83,398,777	109,700,896	-	-	-	-	-	15,434,176	208,533,849
Provisions for employee benefits, non-current	4,134,758	18,985,361	-	-	-	-	-	214,551	23,334,670
Other non-financial liabilities, non-current	1,689	35,500	-	-	-	-	-	-	37,189
Total non-current liabilities	739,811,945	233,919,886	1,487,212,673	-	-	10,026,455	-	57,978,677	2,528,949,636
Total non-banking liabilities	1,389,847,576	790,712,033	1,560,112,122	184,947	548	16,069,564	398,694	78,557,706	3,835,883,190

Note 36 – Contingencies

(a) Lawsuits

a.1 CSAV is a defendant in litigation and arbitrations relating to cargo transport seeking compensation for damage and injury. Most of the potential contingencies are covered by insurance. There are provisions covering the estimated value of the proportion not covered by insurance, and the respective deductibles.

HLAG is now legally and financially liable for all legal contingencies related to the operations of the container shipping business, including legal expenses and potential disbursements, even when CSAV is party to the claim, in accordance with the merger agreement between CSAV and HLAG.

In relation to the investigations into antitrust violations by the discontinued car carrier business, the following transpired between December 31, 2020 and December 31, 2022:

(i) On April 17, 2019, the South African Fair Competition Commission filed an injunction against CSAV for alleged anti-competitive behavior when negotiating a contract to transport vehicles from South Africa to Europe in 2011. The injunction is currently before the South African Competition Tribunal. Therefore, an estimate of any potential financial impact on CSAV cannot be made at this time.

(ii) During the second half of 2020, CSAV was notified of a class action suit brought against it and the shipping lines MOL, WWL/Eukor, K-Line and NYK, before the United Kingdom Competition Appeal Tribunal. That lawsuit was filed following the European Commission's ruling in February 2018. Although the tribunal ruled to grant class certification, appeals are still pending, so the case is at a preliminary stage. Given that, the economic impact for CSAV of the potential outcome of the case cannot be estimated.

(iii) CSAV is currently a defendant in proceedings in Chile before the TDLC in a lawsuit filed by the Regional Elderly Consumers Association in the Bío Bío Region. CSAV was served notice of this lawsuit on April 14, 2022. However, the case is at a preliminary stage and, therefore, the economic impact for CSAV cannot be estimated at this time. The rulings of the TDLC and the Supreme Court on the case initiated by the National Economic Prosecutor's Office in January 2015 form precedents for this case.

a.2 Enx is party to civil lawsuits for breach of contract, damages and to enforce performance of supply and transaction contracts, brought by Combustibles Surenergy Limitada and others against Enx, based on alleged breaches of fuel supply and transaction contracts. The damages demanded amount to Ch\$3,889,266,189 plus court costs. The case is being processed by the Ninth Civil Court of Santiago under case number 2342-16. The initial ruling was unfavorable for Enx, with Enx ordered to pay: a) Ch\$2,008,218,176 plus indexation and interest, for consequential damages; b) Ch\$5,589,501 per month until it refunds the performance guarantees and promissory notes paid; c) Ch\$205,157,904 for loss of profits; and d) court costs. Enx filed an appeal against the first ruling, which was fully accepted by the Santiago Court of Appeals, and the plaintiffs were ordered to pay the court costs. The plaintiffs filed an appeal against the Appeals Court ruling before the Supreme Court, which has not yet ruled (Supreme Court case number 18118-2019).

Six labor lawsuits filed against Enx S.A. by Natalia Jara Navarro, Ana Karina Pinto Miranda, Patricia Cárcamo Mery, Javier Sepúlveda Olea, Saúl Caqueo Cayo and Giovanni Mell Ortíz. The amount of each suit is Ch\$1,000,000,000 plus indexation, interest and court costs. The cases are being processed before the Iquique Labor Court under case numbers T-185-2019, T-186-2019, T-187-2019, T-184-2019, T-189-2019 and T-190-2019, respectively. On June 4, 2022, the Iquique Labor Court accepted the six lawsuits against Enx and sentenced it to pay damages totaling Ch\$480,000,000 and complete reparation measures. An appeal was filed before the Iquique Court of Appeals against this sentence, which was accepted and the trial was restarted from the evidentiary hearing. The evidentiary hearing began on February 28.

Note 36 – Contingencies (continued)

(a) Lawsuits (continued)

a.3 The tax contingencies of Invexans deriving from the sale of the cables unit to Nexans are detailed in Note 36 c.1.

a.4 The subsidiary SM SAAM has pending litigation and lawsuits for compensation for damages arising from its operations. The amounts below the deductible have been provisioned and the Company also has insurance policies to cover any potential loss contingencies.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 36 – Contingencies (continued)

(b) Financial contingencies

b.1 As of December 31, 2022, Quiñenco and its group companies comply with the financial covenants related to bond issues. Quiñenco's principal financial covenants are as follows.

- To maintain unencumbered assets over unsecured debt at book value of at least 1.3 times. As of December 31, 2022, the ratio of unencumbered assets to unsecured debt at book value is 4.2 times, as follows:

	ThCh\$
Quiñenco individual	
Total assets	9,652,214,228
Encumbered assets	-
Unencumbered assets	<u>9,652,214,228</u>
Total current liabilities	1,140,215,421
Other short-term provisions	(17,959,517)
Provisions for employee benefits, current	(1,111,143)
Total non-current liabilities	1,182,490,907
Other long-term provisions	(3,565,145)
Unencumbered liabilities	<u>2,300,070,523</u>

- To maintain an individual financial debt ratio over total capitalization of no more than 0.52. As of December 31, 2022 the financial debt over total capitalization at book value is 0.14, as follows.

	ThCh\$
Financial debt	
Other financial liabilities, current	44,491,753
Related party payables, current	-
Other financial liabilities, non-current	1,098,534,975
Related party payables, non-current	80,390,787
Financial debt	<u>1,223,417,515</u>
Capitalization	
Equity attributable to owners of the controller	7,329,507,900
Financial debt	1,223,417,515
Capitalization	<u>8,552,925,415</u>

- To maintain a consolidated financial debt ratio over total capitalization of no more than 0.66. As of December 31, 2022, consolidated financial debt over total capitalization at book value is 0.18, as follows.

	ThCh\$
Financial debt	
Other financial liabilities, current	602,648,715
Related party payables, current	1,279,511
Other financial liabilities, non-current	2,002,642,527
Related party payables, non-current	-
Financial debt	<u>2,606,570,753</u>
Capitalization	
Equity attributable to owners of the controller	7,329,507,900
Financial debt	2,606,570,753
Non-controlling interests (i)	4,230,745,397
Capitalization	<u>14,166,824,050</u>

(i) This is: Non-controlling interests in Quiñenco of ThCh\$6,671,906,119 less non-controlling interests in LQIF of ThCh\$2,441,160,722.

- Minimum equity of Ch\$988,993 million. As of December 31, 2022, the equity attributable to owners of the controller is Ch\$ 7,329,508 million.
- The Luksic Group must maintain control of Quiñenco.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 36 – Contingencies (continued)

(b) Financial contingencies (continued)

b.2 The subsidiary LQIF is subject to certain financial covenants contained in the bond-issuance indenture and other loan agreements. The principal restrictions as of December 31, 2022, are as follows.

- LQIF should maintain a leverage ratio in its quarterly financial statements of no more than 0.40, measured as the ratio of total adjusted liabilities over total adjusted assets, equivalent to the balances of non-banking service accounts plus the investment in companies (equity value), and restoring balances eliminated in the consolidation. The leverage ratio as of December 31, 2022, was 0.079.

- The Company should maintain at least 60% of the total adjusted assets in the quarterly financial statements in shares or rights in financial or related companies, such as insurance, pension funds, banking or financial services throughout the contract term. As of December 31, 2022, the investments in the financial area reached 69.8%.

- During three months prior to payment of coupons on these issues, it can pay or lend to related parties provided it keeps an easily-liquidated reserve throughout this period equivalent to at least the payment to bond-holders as of that date.

- LQIF should retain its control of Banco de Chile, and the present controller of the company should remain as such.

b.3 As of December 31, 2022, Tech Pack has contingencies related to its normal business.

The Share Purchase Agreement signed on April 18, 2016 was finalized on May 31, 2016. As a result, Tech Pack S.A. sold all of its shares in Alusa S.A. and Inversiones Alusa S.A. to Amcor. Tech Pack S.A. committed in that contract to keeping its liability for tax obligations and rights in the companies that it sold as of the sale date, and in accordance with the terms and conditions of that contract.

There were no expenses during 2022 (ThUS\$8 during 2021).

b.4 Invexans S.A. (legal successor of Madeco S.A.)

Invexans signed loan agreements with Banco Scotiabank for US\$10 million in September 2019 and US\$5 million in November 2020. In September 2022, the US\$10 million loan from Scotiabank was repaid and on the same date a US\$10 million loan agreement was signed with HSBC Bank (Chile).

In addition to the usual obligations for such loans, it must maintain total leverage of no more than one, and minimum equity of US\$250 million in the annual consolidated financial statements. Quiñenco S.A. should also maintain control.

Invexans is complying with all the restrictions stated in the above agreement, which include the following ratios:

Financial ratios	12/31/22	12/31/21
Net financial debt / equity (<1.00)	0.60	0.63
Minimum equity of ThUS\$250,000.	ThUS\$1,413,851	ThUS\$1,299,496

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 36 – Contingencies (continued)

(b) Financial contingencies (continued)

b.5 Enex Corp. Ltd.:

Enex Corp. Ltd. and its subsidiaries signed bank loan agreements with financial institutions where Enex S.A. is the guarantor. As of December 31, 2022, the financial covenants associated with these bank loans are as follows:

- Maintain Net Financial Debt to Equity ratio less than or equal to 0.75. For these purposes, Net Financial Debt is defined as the sum of “Other Current Financial Liabilities” and “Other Non-Current Financial Liabilities,” net of “Cash and Cash Equivalents”.

Financial ratios	12/31/22	12/31/21
Net financial debt / equity (≤ 0.75)	0.38	0.27

- Financial expense coverage ratio greater than or equal to 2.5. For these purposes, the Financial Expense Coverage ratio is defined as EBITDA divided by “Finance Costs,” both measured over the past 12 months.

Financial ratios	12/31/22	12/31/21
Financial expense coverage (≥ 2.5)	8.94	16.69

b.6 CSAV

The subsidiary CSAV’s financial obligations place restrictions on management and the fulfillment of the financial indicators (covenants) described in the following table:

Indicators	12/31/22	12/31/21
Total liabilities / Total equity < 1.30	0.30	0.23
Total liabilities [ThUS\$]	2,382,078	1,142,539
Total equity [ThUS\$]	7,914,497	4,882,669
Unencumbered assets / Financial debt not secured by issuer ≥ 1.30	15.55	10.04
Total assets [ThUS\$]	10,296,575	6,025,208
Unencumbered assets [ThUS\$]	10,296,575	6,025,208
Other current financial liabilities [ThUS\$]	560,879	460,920
Other non-current financial liabilities [ThUS\$]	99,586	139,390
Financial lease liabilities (IFRS 16) [ThUS\$]	1,653	-
/a/ Other current and non-current financial liabilities net of IFRS 16 [ThUS\$]	662,118	600,310
Current and non-current trade and other payables [ThUS\$]	17,667	7,603
Non-interest-bearing trade and other payables [ThUS\$]	(17,667)	(7,603)
/c/ Interest-bearing payables to related parties [ThUS\$]	-	-
Financial debt (/a/+b/+c/) [ThUS\$]	662,118	600,310
Issuer-secured financial debt [ThUS\$]	-	-
Financial debt not secured by issuer [ThUS\$]	662,118	600,310
Total Assets \geq US\$ 1,614 million	10,296,575	6,025,208
Total assets [ThUS\$]	10,296,575	6,025,208

As of December 31, 2022 and 2021, CSAV has complied with the restrictions imposed by its financial obligations with sufficient cushion.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 36 – Contingencies (continued)

(b) Financial contingencies (continued)

b.7 SM SAAM

The subsidiary SM SAAM and its subsidiaries have the following contractual provisions governing its management and financial indicators.

Continuing operations

Company	Financial Entity	Name	Condition	12/31/2022	12/31/2021
Sociedad Matriz SAAM S.A.	Public bonds	- Net financial debt / equity	Each quarter it must be less than or equal to 1.2	0.43	0.46
		- Net financial expense coverage ratio	Each quarter it must be greater than 2.75	12.37	9.85
		- Guarantees / total assets	Cannot exceed 5%	0%	0%
Sociedad Matriz SAAM S.A.	Santander	- Net financial debt / equity	Each quarter it must be less than or equal to 1.2	0.43	0.46
		- Net financial expense coverage ratio	Each quarter it must be greater than 2.75	12.37	9.85
		- Guarantees / total assets	Cannot exceed 5%	0%	0%
SAAM S.A.	Scotiabank	- Net financial debt / equity	Each quarter it must be less than or equal to 1.2	0.41	0.33
		- Net financial debt / EBITDA	Each quarter it must be less than or equal to 4.5	1.59	1.22
SAAM Towage Mexico S.A.de C.V (formerly SAAM Remolques S.A. de C.V)	Banco Corpbanca NY	- Net financial debt / EBITDA	Each quarter it must be less than or equal to 3	0.47	0.92
		- Interest coverage ratio (EBITDA / financial expense)	Each quarter it must be more than 3	48.11	53.42
		Minimum equity of MXN 600,000 (US\$30,173)	Each quarter it must not be less than MXN 600,000	US\$239,999,207	-
SAAM Towage Canada Inc	Banco Scotiabank Canada	- Debt / net tangible assets	Each quarter it must be less than 2.5	1.46	1.57
		- Consolidated EBITDA / finance costs and debt repayments	Each quarter it must be equal to or greater than 1.25	4.08	2.77
SAAM Towage Brasil	BNDES	- Total liabilities / Total assets	Cannot exceed 80%	37.51%	37.70%
SAAM Towage Brasil	Caterpillar	- Total liabilities / Total assets	Cannot exceed 80%	37.51%	37.70%
SAAM Towage, Colombia	Itaú Panama	- Financial debt / EBITDA	Equal to or less than 3.5	1.54	2.30
	Banco Scotiabank	- Unencumbered assets / unsecured debt	Each quarter it must be equal to or greater than 1.25	N/A	2.51
Ecuastibas	BCI	Minimum equity	Minimum shareholders' equity at SAAM S.A. of ThUS\$285,000	US\$442,176,143	US\$433,467,145
Intertug Mexico	Mexico API	Minimum equity	Minimum of 30 million Mexican pesos (US\$1,493,711 as of December 31, 2022)	US\$4,175,857	US\$3,103,677

Discontinued operations

Company	Financial Entity	Name	Condition	September 30, 2022	12/31/2021
Sociedad Portuaria de Caldera S.A.	Banco Davivienda	- Borrowing ratio, total liabilities / equity	Each quarter it must be less than 3.5	1.40	1.41
		- Debt servicing coverage	Each quarter it must be greater than 1.25	11.8	15.0
Sociedad Portuaria Granelera de Caldera S.A.	Banco Davivienda	- Borrowing ratio, total liabilities / equity	Each quarter it cannot exceed 3.5	1.18	1.36
		- Debt servicing coverage	Each quarter it must be greater than 1.25	3.4	2.7
Florida International Terminal	BCI Miami	- Borrowing ratio, total liabilities / equity	Cannot exceed 5.0	1.5	2.6
		- Financial debt ratio / EBITDA	Cannot exceed 4.0	1.4	1.2
		- Minimum equity	Minimum equity of US\$7,000,000	US\$18,166,287	US\$10,580,778
Florida International Terminal (1)	Bank of America	- Fixed charges coverage	As of December 31 each year it must exceed 1.15	S/M	1.03
Inarpi	BCI Miami	- Financial expense coverage	As of December 31 each year it must be equal to or greater than 3	15.08	13.98
		- Net financial debt / EBITDA	As of December 31 each year it must be equal to or less than 4.5	1.27	1.55
		- Guarantor's minimum equity	SAAM Puertos must have minimum equity of ThUS\$140,000 as of December 31 each year	US\$241,728	208,875

(1) There is a Covenant waiver for the first year, since delayed committed dividends had already been distributed during the renegotiations.

S/M: No measurement at intermediate dates.
N/A Not applicable, the loan was repaid.

Note 36 – Contingencies (continued)

(c) Taxation contingencies

c.1 Lawsuits following the acquisition of Ficap S.A.

Sale of the Cable Unit to Nexans

On September 30, 2008, the sale of the company's cable unit to Nexans was completed. This cable unit had operations in Chile, Peru, Brazil, Argentina and Colombia. In addition to the usual declarations and guarantees, the following covenants and restrictions were agreed: i) to maintain assets of not less than US\$250 million during the term of the declarations and guarantees, and indemnities derived therefrom; and, ii) to grant Nexans the same collateral that it may grant to its creditors in the future.

Nexans is entitled to be indemnified for the taxes in Brazil accrued until the date of sale, with Invexans liable for 90% and the remaining 10% to be covered by Nexans, limited to: i) US\$2.8 million for lawsuits at the time of sale; and, ii) US\$24 million for subsequent lawsuits. Invexans' general liability is limited to US\$147 million.

Invexans has to respond to the following process in Brazil regarding tax payments arising prior to September 30, 2008.

On July 19, 2006, Ficap S.A., a former cable subsidiary of Invexans and now Nexans Brasil S.A. ("Nexans Brasil – formerly Ficap"), received an assessment from the Brazilian Federal Tax Authority for the tax years 2001 to 2005, which rejected the amortization of the goodwill that arose when it was acquired by Madeco. This assessment was paid by Invexans at the end of 2014 under a tax amnesty program in Brazil.

c.2 HIDROSUR S.A.

On November 15, 2010, Hidrosur S.A. sold its shares in Inversiones Río Bravo S.A., to the related company Inversiones Ranquil S.A.

This sale generated a tax loss, which was fully recognized by the SII.

However the SII issued a Resolution reporting that the tax regime applicable to that loss was inappropriate, as this was a transaction subject to the corporate income tax regime and not to the general regime, as selling shares was not a regular transaction for Hidrosur S.A.

Hidrosur S.A. filed a tax claim before the Tax Courts of the Metropolitan Region and subsequent administrative proceedings, requesting that the SII Resolution be entirely annulled.

During the judicial process that contested the Resolution, a first instance judgment was issued rejecting the claim, which was appealed. The Court of Appeals upheld the appeal, accepted the claim and annulled the Resolution. The sentence was executed.

This ruling could have an effect on lawsuits regarding subsequent tax years, which are currently pending. However, the outcome of these lawsuits would have no impact on the financial statements.

Note 37 – Guarantees

The Company has not received any guarantees from third parties during 2022.

Note 38 – Sanctions

Neither the Company nor its directors or managers received any sanctions from the CMF or any other regulatory authority during 2022.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 39 – Subsequent events

Quiñenco S.A. reported a Material Event on January 18, 2023:

“We hereby report a Material Event in compliance with Article 9 and the second paragraph of Article 10 of Law 18,045 of the Securities Market Law, and number 5.1.7 of Section IV of General Standard 30 issued by the Financial Market Commission (hereinafter the "CMF"), being duly authorized, that on this date, Quiñenco S.A. has placed virtual bearer bonds in the local market belonging to Series Z (hereinafter the "Series Z Bonds"), issued against the line registered in the Securities Registry of the CMF under No. 930.

The Series Z Bonds mature on June 1, 2050 and totaled UF 5 million at an average placement interest rate of 2.98%.”

There were no other events of a financial or other nature between December 31, 2022, and the date of issuance of these consolidated financial statements that could significantly affect their interpretation.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes

In accordance with the regulations issued by the Financial Market Commission, the Notes to the consolidated financial statements of Banco de Chile and subsidiaries are disclosed as follows.

Note 40.1 – Corporate information

Banco de Chile has been authorized to operate as a commercial bank since September 17, 1996. In accordance with Article 25 of Law 19,396, it is the legal successor to Banco de Chile resulting from the merger of Banco Nacional de Chile, Banco Agrícola and Banco de Valparaíso, which was constituted by public deed dated October 28, 1893, granted before the Notary Public of Santiago, Mr. Eduardo Reyes Lavalle, authorized by Supreme Decree dated November 28, 1893.

The Bank is incorporated under the laws of the Republic of Chile and regulated by the Financial Market Commission (CMF). Since 2001, it has been regulated by the United States Securities and Exchange Commission (hereinafter the "SEC") because it is listed on the New York Stock Exchange (hereinafter the "NYSE") through an American Depositary Receipt (hereinafter "ADR") program.

Banco de Chile offers a wide range of banking services to its customers, who range from individuals to large corporations. Banco de Chile also provides international banking and treasury services and services provided by subsidiaries, which include securities brokerage, mutual and investment fund management, insurance brokerage and financial advisory services.

Note 40.2 – Accounting changes

The CMF issued Circular 2,243 on December 20, 2019, subsequently supplemented by Circular 2,295 issued on October 7, 2021, which disclose changes to the instructions in the Compendium of Accounting Standards for Banks (CNCB) effective as of January 1, 2022.

The main changes to the CNCB were:

- 1) New presentation formats for the statements of financial position, statements of income, statements of changes in equity and statements of cash flows, and several changes and additions to the disclosures, which include a note on financial assets at amortized cost and a note on risk management and reporting, in order to improve compliance with the disclosure criteria in IFRS 7. Also, related party disclosures were aligned with IAS 24.
- 2) A financial report according to IASB Practice Statement 1, which will complement the information provided in the interim and annual financial statements.
- 3) Changes in the chart of accounts of Chapter C-3 of the CNCB, both the codification of accounts and their description. These create detailed information in the formats for the statement of financial position, statement of income and statement of other comprehensive income.
- 4) Changes in the presentation formats for financial instruments in the statement of financial position and statement of income when adopting IFRS 9 to replace IAS 39.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

- 5) IFRS 9 included, except for Chapter 5.5 on impairment of loans classified as “financial assets at amortized cost.” This exception is mainly due to prudential criteria set by the CMF. These criteria have gradually given rise to standard models for banking institutions to determine loan portfolio impairment.
- 6) Amendment of the criteria to suspend the recognition of accrued interest and indexation income on any loan that is over 90 days past due.

Adjustments to transitional financial statements should be treated as adjustments to pro forma financial statements, in accordance with CMF instructions in Chapter E of the CNCB.

The reconciliations in sections 4.1 to 4.6 describe the impact of transitioning to the new standards:

4.1 Reconciliation of equity as of January 1 and as of December 31, 2021:

	01/01/2021	12/31/2021
	ThCh\$	ThCh\$
Total equity prior to changes in standards	3,726,268,153	4,223,014,172
Financial assets at amortized cost	—	57,215,285
Amendment to provision for lines of credit with automatic cancellation	—	14,620,852
Fair value adjustment of investments in equity instruments	4,957,848	3,588,649
Deferred taxes on these adjustments	<u>(1,338,619)</u>	<u>(4,916,565)</u>
Subtotal	<u>3,619,229</u>	<u>70,508,221</u>
Total adjusted equity	<u>3,729,887,382</u>	<u>4,293,522,393</u>

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

4.2 Reconciliation of transitioning effects on the consolidated statement of financial position as of January 1, 2021.

Description	01.01.2021 CNCB	Reclassifications	Ref.	Adjustments	Ref.	01.01.2021 CNCB
	Old ThCh\$					New ThCh\$
ASSETS						
Cash and due from banks	2,560,215,717	—		—		2,560,215,717
Transactions in the course of collection	582,308,294	(49,540,712)	a)	—		532,767,582
Investments held for trading	4,666,157,612	(4,666,157,612)	b)	—		—
Obligations under repurchase agreements and securities lending	76,407,027	(76,407,027)	c)	—		—
Financial assets held for trading at fair value through profit and loss:						
Financial derivative contracts	2,618,003,416	(51,062,136)	d)	—		2,566,941,280
Debt financial instruments	—	4,264,251,685	b)	—		4,264,251,685
Other	—	401,905,927	b)	—		401,905,927
Investment instruments held for sale	1,060,523,460	(1,060,523,460)	e)	—		—
Financial assets not for trading that must be valued at fair value through profit and loss	—	—		—		—
Financial assets designated at fair value through profit and loss	—	—		—		—
Financial assets at fair value through other comprehensive income:						
Debt financial instruments	—	1,060,523,460	e)	—		1,060,523,460
Other financial instruments	—	—		—		—
Financial derivative contracts for hedging purposes	—	51,062,136	d)	—		51,062,136
Investment instruments held to maturity	—	—		—		—
Financial assets at amortized cost:						
Rights under resale agreements and securities borrowing	—	76,407,027	c)	—		76,407,027
Debt financial instruments	—	—		—		—
Loans and advances to banks	2,938,990,560	—		—		2,938,990,560
Customer loans and receivables - commercial	17,169,743,403	(20,705,354)	g)	—		17,149,038,049
Customer loans and receivables - mortgage	9,354,890,149	—		—		9,354,890,149
Customer loans and receivables - consumer	3,665,422,597	—		—		3,665,422,597
Investments in other companies	44,648,412	—		4,957,848	d)	49,606,260
Intangible assets	60,701,387	—		—		60,701,387
Property, plant and equipment	217,928,946	—		—		217,928,946
Right-of-use assets	118,829,326	—		—		118,829,326
Current taxes	22,949,321	—		—		22,949,321
Deferred taxes	357,944,803	—		(1,338,619)	d)	356,606,184
Other assets	579,467,608	63,913,339	a); g); h)	—		643,380,947
Non-current assets and disposal groups held for sale	—	6,332,727	h)	—		6,332,727
TOTAL ASSETS	<u>46,095,132,038</u>	<u>—</u>		<u>3,619,229</u>		<u>46,098,751,267</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

Description	01.01.2021 CNCB Old ThCh\$	Reclassifications ThCh\$	Ref.	Adjustments ThCh\$	Ref.	01.01.2021 CNCB New ThCh\$
LIABILITIES						
Transactions in the course of payment	1,301,999,579	(49,887,503)	a)	—		1,252,112,076
Financial liabilities held for trading at fair value through profit and loss:						
Financial derivative contracts	2,841,755,467	(71,690,302)	d)	—		2,770,065,165
Other financial instruments	—	378,869	i)	—		378,869
Financial liabilities designated at fair value through profit and loss	—	—		—		—
Financial derivative contracts for hedging purposes	—	71,690,302	d)	—		71,690,302
Obligations under repurchase agreements and securities lending	288,916,522	(288,916,522)	i)	—		—
Financial liabilities at amortized cost:						
Current accounts and other demand deposits	15,167,227,437	(303,668,150)	j)	—		14,863,559,287
Savings accounts and time deposits	8,899,541,333	(95,073,346)	k)	—		8,804,467,987
Repurchase agreement and securities lending payables	—	288,537,653	i)	—		288,537,653
Borrowings from financial institutions	3,669,754,175	—		—		3,669,754,175
Debt financial instruments issued	8,593,595,337	(886,406,724)	l)	—		7,707,188,613
Other financial obligations	191,713,727	(25,122,151)	m)	—		166,591,576
Lease liabilities	115,017,207	—		—		115,017,207
Regulatory capital financial instruments issued	—	886,406,724	l)	—		886,406,724
Provisions	733,912,005	(733,912,005)	n)	—		—
Provisions for contingencies	—	141,938,171	n); o)	—		141,938,171
Provisions for dividends, interest and reappraisal of regulatory capital financial instruments issued	—	220,271,406	n)	—		220,271,406
Special provisions for credit risk	—	401,889,632	n)	—		401,889,632
Current taxes	311,166	—		—		311,166
Deferred taxes	—	—		—		—
Other liabilities	565,118,556	443,563,946	a); j); k); m); o)	—		1,008,682,502
Liabilities included in disposal group held for sale	—	—		—		—
TOTAL LIABILITIES	42,368,862,511	—		—		42,368,862,511
EQUITY						
Share capital	2,418,833,181	1,705,186	p)	—		2,420,538,367
Reserves	703,206,078	(1,155,309)	p); q)	(2,251,057)	a)	699,799,712
Cumulative other comprehensive income						
Items not reclassified to the income statement	—	(549,877)	q)	3,619,229	d)	3,069,352
Items reclassified to the income statement	(51,249,098)	—		2,251,057	a)	(48,998,041)
Retained earnings (losses) from prior periods	412,641,371	—		—		412,641,371
Net income (loss) for the year	463,108,026	—		—		463,108,026
Less: Provisions for dividends, interest and reappraisal of regulatory capital financial instruments issued	(220,271,406)	—		—		(220,271,406)
To owners of the Bank	3,726,268,152	—		3,619,229		3,729,887,381
To non-controlling interests	1,375	—		—		1,375
TOTAL EQUITY	3,726,269,527	—		3,619,229		3,729,888,756
TOTAL LIABILITIES AND EQUITY	46,095,132,038	—		3,619,229		46,098,751,267

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

4.3 Reconciliation of transitioning effects on the consolidated statement of financial position as of December 31, 2021.

Description	31.12.2021 CNCB Old ThCh\$	Reclassifications ThCh\$	Ref.	Adjustments ThCh\$	Ref.	31.12.2021 CNCB New ThCh\$
ASSETS						
Cash and due from banks	3,713,732,597	—		—		3,713,732,597
Transactions in the course of collection	576,457,494	(89,757,508)	a)	—		486,699,986
Investments held for trading	3,876,696,779	(3,876,696,779)	b)	—		—
Obligations under repurchase agreements and securities lending	64,365,192	(64,365,192)	c)	—		—
Financial assets held for trading at fair value through profit and loss:						
Financial derivative contracts	2,983,299,159	(277,803,146)	d)	—		2,705,496,013
Debt financial instruments	—	3,737,943,819	b)	—		3,737,943,819
Other	—	138,752,960	b)	—		138,752,960
Investment instruments held for sale	3,054,809,980	(3,054,809,980)	e)	—		—
Financial assets not for trading that must be valued at fair value through profit and loss	—	—		—		—
Financial assets designated at fair value through profit and loss	—	—		—		—
Financial assets at fair value through other comprehensive income:						
Debt financial instruments	—	3,054,809,980	e)	—		3,054,809,980
Other financial instruments	—	—		—		—
Financial derivative contracts for hedging purposes	—	277,803,145	d)	—		277,803,145
Investment instruments held to maturity	782,528,869	(782,528,869)	f)	—		—
Financial assets at amortized cost:						
Rights under resale agreements and securities borrowing	—	64,365,192	c)	—		64,365,192
Debt financial instruments	—	782,528,869	f)	57,215,285	c)	839,744,154
Loans and advances to banks	1,529,312,880	—		—		1,529,312,880
Customer loans and receivables - commercial	19,243,755,141	(25,887,245)	g)	(132,221,860)		19,085,646,036
Customer loans and receivables - mortgage	10,315,919,980	—		—		10,315,919,980
Customer loans and receivables - consumer	3,978,079,993	—		—		3,978,079,993
Investments in other companies	49,168,007	—		3,588,648	d)	52,756,655
Intangible assets	72,532,161	—		—		72,532,161
Property, plant and equipment	222,319,399	—		—		222,319,399
Right-of-use assets	100,187,846	—		—		100,187,846
Current taxes	845,646	—		—		845,646
Deferred taxes	439,193,749	—		(4,916,565)	a); b); d)	434,277,184
Other assets	699,233,011	96,225,768	a); g); h)	(9,720)		795,449,059
Non-current assets and disposal groups held for sale	—	19,418,986	h)	—		19,418,986
TOTAL ASSETS	<u>51,702,437,883</u>	<u>—</u>		<u>(76,344,212)</u>		<u>51,626,093,671</u>

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

Description	31.12.2021 CNCB Old ThCh\$	Reclassifications ThCh\$	Ref.	Adjustments ThCh\$	Ref.	31.12.2021 CNCB New ThCh\$
LIABILITIES						
Transactions in the course of payment	460,488,902	(90,508,578)	a)	—		369,980,324
Financial liabilities held for trading at fair value through profit and loss:						
Financial derivative contracts	2,773,199,022	(696,194)	d)	—		2,772,502,828
Other financial instruments	—	9,610,355	i)	—		9,610,355
Financial liabilities designated at fair value through profit and loss	—	—		—		—
Financial derivative contracts for hedging purposes	—	696,194	d)	—		696,194
Obligations under repurchase agreements and securities lending	95,009,426	(95,009,426)	i)	—		—
Financial liabilities at amortized cost:						
Current accounts and other demand deposits	18,542,790,471	(292,909,865)	j)	(37,267,820)		18,212,612,786
Savings accounts and time deposits	9,140,004,681	(336,291,542)	k)	(1,809,252)		8,801,903,887
Repurchase agreement and securities lending obligations	—	85,399,071	i)	—		85,399,071
Borrowings from financial institutions	4,861,866,021	—		—		4,861,866,021
Debt financial instruments issued	9,478,904,160	(917,509,514)	l)	—		8,561,394,646
Other financial obligations	274,618,490	(24,613,981)	m)	—		250,004,509
Lease liabilities	95,670,160	—		—		95,670,160
Regulatory capital financial instruments issued	—	917,509,514	l)	—		917,509,514
Provisions	1,048,013,393	(1,048,013,393)	n)	—		—
Provisions for contingencies	—	143,858,354	n); o)	—		143,858,354
Provisions for dividends, interest and reappraisal of regulatory capital financial instruments issued	—	323,897,295	n)	(165,673,596)		158,223,699
Special provisions for credit risk	—	616,194,735	n)	(14,620,852)	b)	601,573,883
Current taxes	113,129,064	—		—		113,129,064
Deferred taxes	—	—		—		—
Other liabilities	595,728,550	708,386,975	a); j); k); m); o)	(441,282)		1,303,674,243
Liabilities included in disposal group held for sale	—	—		—		—
TOTAL LIABILITIES	47,479,422,340	—		(219,812,802)		47,259,609,538
EQUITY						
Share capital	2,418,833,181	1,705,186	p)	—		2,420,538,367
Reserves	703,604,476	(1,553,708)	p); q)	8,422,164	a); b)	710,472,932
Cumulative other comprehensive income						
Items not reclassified to the income statement	—	(151,478)	q)	2,619,713	d)	2,468,235
Items reclassified to the income statement	(23,926,661)	—		133,157,889	c)	109,231,228
Retained earnings (accumulated losses) from prior periods	655,477,992	—		—		655,477,992
Net income (loss) for the year	792,922,481	—		(731,176)	a)	792,191,305
Less: Provisions for dividends, interest and reappraisal of regulatory capital financial instruments issued	(323,897,295)	—		—		(323,897,295)
To owners of the Bank	4,223,014,174	—		143,468,590		4,366,482,764
To non-controlling interests	1,369	—		—		1,369
TOTAL EQUITY	4,223,015,543	—		143,468,590		4,366,484,133
TOTAL LIABILITIES AND EQUITY	51,702,437,883	—		(76,344,212)		51,626,093,671

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

Reclassifications

- a) From Transactions in the course of collection/payment to Other assets and Other liabilities for financial instrument brokerage.
- b) From Instruments held for trading to Financial assets held for trading at fair value through profit and loss.
- c) From Resale agreements and securities borrowing to Rights under repurchase agreements and securities borrowing.
- d) Financial derivative contract assets and liabilities are separated into hedge accounting lines.
- e) Investment instruments held for sale are reclassified to Financial assets at fair value through other comprehensive income.
- f) From Investment instruments held to maturity to Financial assets at amortized cost.
- g) From Customer loans and receivables - commercial to Other assets, for customer receivables under IFRS 15.
- h) From Other assets to Non-current assets and disposal groups, for the investment in Nexus S.A. and assets received in lieu of payment.
- i) From Repurchase agreements and securities lending liabilities to Obligations under repurchase agreements and securities lending and to Financial liabilities for trading at fair value through profit and loss, in respect of shares sold short.
- j) From Current accounts and other demand deposits to Other liabilities, for payments received on account of receivables.
- k) From Savings accounts and time deposits to Other liabilities, mainly for cash guarantees received for financial hedging transactions.
- l) From Debt instruments to Regulatory capital financial instruments issued, in respect of subordinated bonds.
- m) From Other financial obligations to Other liabilities, for leased goods suppliers.
- n) Provisions have been separated into Provisions for contingencies, Provisions for dividends, interest and reappraisal of regulatory capital financial instruments, and Special provisions for credit risk.
- o) From Other liabilities to Provisions for contingencies, for loyalty provisions.
- p) From Reserves to Share capital, for share premiums.
- q) Accumulated other comprehensive income has been separated into Items that will not be reclassified to income, for employee benefits, and into Items that may be reclassified to income.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

Adjustments

- a) Net charge to equity for impairment of financial instruments at fair value with impact on other comprehensive income (OCI) of ThCh\$2,251,057 net of taxes as of January 1, 2021 (ThCh\$2,982,234 as of December 31, 2021), so the impact on income for 2021 is ThCh\$731,177.
- b) Credit to equity for amendments to the Credit Conversion Factor (CCF) of ThCh\$10,673,222 net of taxes.
- c) Credit to equity of ThCh\$57,215,285 for applying IFRS 9 when reclassifying financial instruments from Financial assets valued at fair value through other comprehensive income to Debt instruments valued at amortized cost, during 2021.
- d) Net credit to equity as of January 1, 2021 of ThCh\$3,619,229 (ThCh\$2,619,713 as of December 31, 2021) for an adjustment to the fair value of investments held by the subsidiary Banchile Corredores de Bolsa S.A. in the Bolsa de Comercio de Santiago S.A.

4.4 Reconciliation of the consolidated income statement (summary) for the year ended December 31, 2021.

	12.31.2021			Adjustmen		12.31.2021
	CNCB			ts		CNCB New
	Old	Reclassification	Ref.	ThCh\$	Ref.	ThCh\$
	ThCh\$	ThCh\$				
Net interest and indexation income	1,568,545,502	(15,004,155)	a)	192,030		1,553,733,377
Net fee income	455,026,965	13,335,968	a)	—		468,362,933
Other operating income	<u>206,683,518</u>	<u>(29,563,017)</u>	b) c) e)	—		<u>177,120,501</u>
Total operating income	2,230,255,985	(31,231,204)		192,030		2,199,216,811
Provisions for credit risk	(373,262,168)	373,262,168	c)	—		—
Credit loss expense	—	(356,063,920)	c) d)	(1,001,611)		(357,065,531)
Operating expenses	<u>(887,760,670)</u>	<u>16,273,560</u>	b) d)	—		<u>(871,487,110)</u>
Net operating income	<u>969,233,147</u>	<u>2,240,604</u>		<u>(809,581)</u>		<u>970,664,170</u>
Result of investments in other companies	2,240,604	(2,240,604)	e)	—		—
Net income before tax	<u>971,473,751</u>	—		<u>(809,581)</u>		<u>970,664,170</u>
Income tax expense	(178,550,391)	—		270,435		(178,279,956)
Consolidated net income for the year	<u>792,923,360</u>	—		<u>(539,146)</u>		<u>792,384,214</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

4.5 Reconciliation of the consolidated comprehensive income statement (summary) for the year ended December 31, 2021.

	12.31.2021 CNCB Old ThCh\$	Reclassification ThCh\$	Ref.	Adjustment s ThCh\$	Ref.	12.31.2021 CNCB New ThCh\$
Consolidated net income for the year	792,923,360	—		(539,146)	a)	792,384,214
Other comprehensive income that will not be reclassified to net income for the year	398,397	—		(999,516)	b)	(601,119)
Other comprehensive income that will be reclassified to net income for the year	27,322,437	—		57,946,462	a)	85,268,899
Comprehensive income for the year	820,644,194	—		56,407,800		877,051,994

The reclassifications and accounting adjustments applied to the consolidated income statement and the other comprehensive income statement are as follows:

Reclassifications

- a) From Net interest and indexation income to Net fee income, for loan prepayments.
- b) From Operating expenses to Other operating income, for expenses related to assets received in lieu of payment.
- c) From Provisions for credit risk to credit loss expense, and reclassification of the foreign currency impact to Other operating income.
- d) From Operating expenses to credit loss expenses, for country risk provisions.
- e) From Income from investment in other companies to Other operating income.

Adjustments

- a) Net charge to income and credit to OCI, for impairment of financial instruments at fair value with impact on other comprehensive income (OCI).
- b) Net credit to OCI for adjustment to fair value of investments of the subsidiary Banchile Corredores de Bolsa S.A. in the Bolsa de Comercio de Santiago S.A.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.2 – Accounting changes (continued)

4.6 Reconciliation of the consolidated statement of cash flows (summary) for the year ended December 31, 2021.

	12.31.2021					12.31.2021
	CNCB	Reclassification	Ref.	Adjustments	Ref.	CNCB
	Old	ThCh\$		ThCh\$		New
	ThCh\$	ThCh\$		ThCh\$		ThCh\$
Cash flow from operating activities						
Net income for the year	792,923,360	—		(539,146)	a)	792,384,214
Charges (credits) to income that do not represent cash flows:	(43,164,652)	437,307,251	a)	78,082,286	a)	472,224,885
Decrease (increase) in assets and liabilities that affect operating cash flow	1,679,731,661	(1,612,912,030)	c)	2,881,483,664		2,948,303,295
Net cash flows provided by (used in) operating activities	2,429,490,369	(1,175,604,779)		2,959,026,804		4,212,912,394
Net cash flows provided by (used in) investing activities	(2,900,322,303)	2,828,455,347	b) c)	(2,926,247,982)		(2,998,114,938)
Net cash flows provided by (used in) financing activities	1,345,827,585	(1,652,446,518)	b) a)	112,910,599		(193,708,334)
Net change in cash and cash equivalents	874,995,651	404,050		145,689,421		1,021,089,122
Effect of changes in exchange rates	324,964,526	—		(145,689,421)		179,275,105
Cash and cash equivalents at beginning of period	6,088,115,325	347,020		—		6,088,462,345
Cash and cash equivalents at end of period	<u>7,288,075,502</u>	<u>751,070</u>		<u>—</u>		<u>7,288,826,572</u>

Reclassifications

- a) From Other non-cash charges (credits) to Net cash flows from financing activities.
- b) Reclassification from Net cash flows from investing activities to Net cash flows from financing activities, for lease payments, and to Net cash flows from operating activities, for the net increase in debt financial instruments at fair value through OCI, which were previously classified as Net increase in investment instruments held for sale.
- c) Reclassifications from Net cash flows from financing activities to Net cash flows from operating activities, mainly for other financial obligations.

Adjustments

- a) Net charge to income for impairment of financial instruments at fair value with impact on other comprehensive income (OCI).

During the year ended December 31, 2022, no other significant accounting changes have occurred that affect the presentation of these consolidated financial statements.

Note 40 – Additional notes (continued)

Note 40.3 – Material events for the banking subsidiaries

a) On January 27, 2022, the Board of Directors of Banco de Chile agreed to call an Annual General Shareholders' Meeting for March 17, 2022, in order to propose the following:

1) Declare a dividend for the year ended December 31, 2021:

- i. Deduct and retain from net distributable income for the year an indexation adjustment on the share capital and reserves for the change in the Consumer Price Index between November 2020 and November 2021, amounting to Ch\$253,093,655,744, which will be added to retained earnings for previous years.
- ii. Distribute the remaining net distributable income, which is a dividend of Ch\$ 5.34393608948 per share payable for each of the Bank's 101,017,081,114 shares.

Consequently, the proposed dividend will be 68.1% of net income for the year ended December 31, 2021.

2) Shareholders may choose to accept all or part of their dividend under the optional and transitory taxation regime that is levied with an ISFUT tax in lieu of final taxes, as provided for in Article 25 of Law 21,210.

3) If the dividend is approved by the Shareholders' Meeting, then it will be paid on March 31, 2022.

b) On July 19, 2022, the Liquidation Committee of the subsidiary Banchile Securitizadora S.A. in Liquidation fully approved the liquidation termination, the final account and the distribution of capital to shareholders, according to its financial statements as of June 30, 2022. This capital was returned to each shareholder on July 29, 2022.

c) On 30 September 2022, as reported in a Material Event on 30 November 2021, Banco de Chile together with the other shareholder banks of "Operadora de Tarjetas de Crédito Nexus S.A." (hereinafter, "Nexus") a banking support company, reached an agreement with Minsait Payments Systems Chile S.A. (a subsidiary of the Spanish company Indra Sistemas S. A.) to sell it all their shares in Nexus, subject to the fulfillment or waiver of several preceding conditions, which include authorization from the CMF to sell all the shares of Nexus, together with approval by the National Economic Prosecutor's Office (hereinafter, the "Transaction").

These conditions were fulfilled and the Transaction was completed on September 30, 2022. Consequently, Minsait Payments Systems Chile S.A. has acquired all the shares of Nexus. The Transaction price was Ch\$8,900,682,219 on that date, without prejudice to price adjustments and additional payments in the Nexus share purchase agreement, which depend on the events and conditions established therein being met.

Therefore, Minsait Payments Systems Chile S.A. has taken control of Nexus, and Banco de Chile together with the other shareholder banks have ceased to be shareholders of Nexus.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.3 – Material information on the banking subsidiaries (continued)

- d) During 2022 Banco de Chile reported as a Material Event placing in the local market the following senior, virtual and bearer bonds issued by Banco de Chile and registered in the Securities Registry of the Financial Market Commission:

Date	Securities Registration Number	Series	Amount	Currency	Maturity	Average Rate
November 2, 2022	11/2015	CN	2,000,000	UF	02/01/2034	3.20%
November 2, 2022	11/2015	CO	2,000,000	UF	06/01/2034	3.20%
November 2, 2022	11/2015	CQ	2,000,000	UF	10/01/2034	3.20%
November 14, 2022	11/2015	CK	2,000,000	UF	08/01/2033	2.65%
November 18, 2022	11/2015	CM	500,000	UF	12/01/2033	2.60%
November 21, 2022	15/2016	DV	10,000,000,000	Ch\$	05/01/2027	6.33%
November 22, 2022	15/2016	DV	40,000,000,000	Ch\$	05/01/2027	6.30%
December 2, 2022	15/2016	DU	38,500,000,000	Ch\$	01/JAN/2027	6.41%
December 2, 2022	11/2015	BU	550,000	UF	08/01/2029	2.44%
December 5, 2022	11/2015	CM	250,000	UF	12/01/2033	2.31%
December 7, 2022	11/2015	CL	2,000,000	UF	10/01/2033	2.55%
December 7, 2022	11/2015	CM	1,250,000	UF	12/01/2033	2.55%
December 7, 2022	11/2022	GJ	4,000,000	UF	11/01/2035	2.60%
December 12, 2022	11/2015	CJ	700,000	UF	06/01/2033	2.54%
December 13, 2022	11/2015	CJ	1,300,000	UF	06/01/2033	2.55%
December 22, 2022	11/2022	GK	4,000,000	UF	12/01/2035	2.52%

- e) On November 7, 2022, the subsidiary Banchile Administradora General de Fondos S.A. ("Banchile AGF") reported the following Material Event:

Extraordinary Board Meeting No. 9 approved the following as of the same date:

- i) Accept the resignation of Mr. Julio Guzmán Herrera as Director, who was appointed to the position of Board Advisor.
 - ii) Accept the resignation of the Chief Executive Officer of Banchile AGF, Mr. Andrés Lagos Vicuña.
 - iii) Appoint Mr. Andrés Lagos Vicuña as a Director of the company.
 - iv) Finally, appoint Ms. Gabriela Gurovich Camhi as Chief Executive Officer of Banchile AGF.
- f) On December 16, 2022, Banco de Chile reported a Material Event that on December 15, 2022, the Chilean Internal Revenue Service issued the termination certificate for Banchile Securitizadora S.A., ID number 96.932.010-K, a subsidiary of Banco de Chile, and it is now dissolved.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.4 – Segment reporting

For management purposes, the Bank is organized into four segments, based on its products and services and its target customers, which are defined as follows:

Retail: This segment focuses on individuals and small and medium-sized businesses (SMEs) with annual sales up to UF 70,000, where the products are focused primarily on consumer loans, commercial loans, checking accounts, credit cards, credit lines and mortgage loans

Wholesale: This segment focuses on corporate clients and large companies, whose annual revenue exceeds UF 70,000, where the products focus primarily on commercial loans, checking accounts and cash-management services, debt instruments, foreign trade, derivative contracts and leases.

Treasury: This segment includes revenue associated with managing the Bank's investment portfolio and its finance and exchange operations.

Transactions with customers carried out by the Treasury are shown in the above respective segments. These products are generally highly transaction-focused and include foreign exchange transactions, derivative contracts and financial instruments.

Subsidiaries: This segment includes companies and corporations controlled by the Bank, where results are obtained individually by the company, but their management is related to the previously mentioned segments. The companies that comprise this segment are:

Entity

- Banchile Administradora General de Fondos S.A.
- Banchile Asesoría Financiera S.A.
- Banchile Corredores de Seguros Ltda.
- Banchile Corredores de Bolsa S.A.
- Banchile Securitizadora S.A. in liquidation (*)
- Socofin S.A.

(*) See Note 40.3 (b).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.4 – Segment reporting (continued)

The financial information used to measure the performance of the Bank's business segments is not comparable with similar information from other financial companies because it is based on internal reporting policies. The accounting policies described in the summary of accounting principles are applied to all business segments. The Bank obtains most of its revenue from interest, indexation adjustments, fees, financial transactions and foreign exchange transactions, less provisions for loan losses and operational expenses. Management is mainly based on these concepts in its evaluation of segment performance and decision-making regarding goals and the allocation of resources to each unit. Although the segment results are reconciled with those of the Bank as a whole, this is not necessarily the case at the level of various items, since management is measured and controlled on an individual basis and not on a consolidated basis, by applying the following criteria:

- The net interest margin of loans and deposits is measured by aggregating the net financial margins of each of the Bank's individual loan and deposit transactions. The volume of each transaction and its contribution margin are used for this purpose, which is the difference between the customer's effective rate and the internal transfer price established according to the term and currency of each transaction. Net margin includes interest income and adjustments from accounting hedges.
- Provisions for credit risk are calculated by customer and counterparty, based on the characteristics of each transaction. Additional provisions have been allocated to business segments based on the credit risk-weighted assets held by each segment.
- Capital and its financial impacts on income have been assigned to each segment in accordance with their risk-weighted assets.
- Operating expenses are shown at each of the Bank's functional areas. Expenses are allocated from functional areas to business segments using various allocation criteria to the corresponding expenditure headings.

Taxes are managed on a corporate basis and are not allocated to business segments.

There were no transactions with a customer or counterparty that exceeded 10% of the Bank's total revenue for the years ended December 31, 2022 and 2021.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.4 – Segment reporting (continued)

The following table shows the results for 2022 and 2021 by each segment:

	Retail		Wholesale		Treasury		Subsidiaries		Subtotal		Consolidation adjustments		Total	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Net interest and indexation income (expense)	1,446,496,800	1,083,179,439	862,976,331	472,520,780	(60,468,060)	(1,416,919)	(11,953,667)	(656,342)	2,237,051,404	1,553,626,958	134,266	106,419	2,237,185,670	1,553,733,377
Net fee income	301,637,742	260,417,424	73,208,429	67,342,966	(2,280,260)	(2,288,388)	174,246,293	159,628,331	546,812,204	485,100,333	(15,192,764)	(16,737,400)	531,619,440	468,362,933
Net gain from financial transactions	391,811	959,443	24,489,925	24,301,679	137,164,415	147,268,332	38,272,474	13,864,435	200,318,625	186,393,889	(134,266)	(106,418)	200,184,359	186,287,471
Exchange, indexation and accounting hedging of foreign currency	7,854,829	14,251,055	32,898,729	25,561,867	35,785,199	(95,349,602)	26,661,402	20,206,232	103,200,159	(35,330,448)	—	—	103,200,159	(35,330,448)
Other income	22,971,951	16,652,658	11,349,292	9,455,571	—	—	3,530,358	3,075,166	37,851,601	29,183,395	(6,189,113)	(5,260,521)	31,662,488	23,922,874
Result of investments in other companies	9,089,117	(451,201)	3,495,528	2,074,715	345,267	118,363	649,996	498,727	13,579,908	2,240,604	—	—	13,579,908	2,240,604
Total operating income	1,788,442,250	1,375,008,818	1,008,418,234	601,257,578	110,546,561	48,331,786	231,406,856	196,616,549	3,138,813,901	2,221,214,731	(21,381,877)	(21,997,920)	3,117,432,024	2,199,216,811
Expenses for employee benefit obligations	(339,850,148)	(289,105,215)	(102,393,774)	(82,705,275)	(2,644,388)	(2,156,576)	(83,356,499)	(77,002,932)	(528,244,809)	(450,969,998)	18,743	17,433	(528,226,066)	(450,952,565)
Administrative expenses	(272,747,643)	(252,857,407)	(66,547,287)	(58,940,021)	(1,771,177)	(1,359,666)	(34,473,831)	(30,558,932)	(375,539,938)	(343,716,026)	20,266,362	20,839,157	(355,273,576)	(322,876,869)
Depreciation and amortization	(69,099,219)	(62,727,845)	(8,540,196)	(8,107,173)	(424,469)	(365,103)	(6,141,368)	(5,598,397)	(84,205,252)	(76,798,518)	—	—	(84,205,252)	(76,798,518)
Impairment of non-financial assets	(9,064)	(30,630)	(122,484)	(1,168,689)	—	—	54,425	(223,084)	(77,123)	(1,422,403)	—	—	(77,123)	(1,422,403)
Other operating expenses	(17,114,206)	(13,775,116)	(10,182,917)	(5,073,082)	—	(20,775)	(1,501,045)	(1,709,112)	(28,798,168)	(20,578,085)	1,096,772	1,141,330	(27,701,396)	(19,436,755)
Total operating expenses	(698,820,280)	(618,496,213)	(187,786,658)	(155,994,240)	(4,840,034)	(3,902,120)	(125,418,318)	(115,092,457)	(1,016,865,290)	(893,485,030)	21,381,877	21,997,920	(995,483,413)	(871,487,110)
Credit loss expense (*)	(323,363,291)	(257,547,469)	(103,745,162)	(98,516,450)	(8,008,567)	(1,001,612)	—	—	(435,117,020)	(357,065,531)	—	—	(435,117,020)	(357,065,531)
Net income (loss) before taxes	766,258,679	498,965,136	716,886,414	346,746,888	97,697,960	43,428,054	105,988,538	81,524,092	1,686,831,591	970,664,170	—	—	1,686,831,591	970,664,170
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income after taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
													1,411,074,994	792,384,214

(*) As of December 31, 2022, the retail and wholesale segments include additional provisions allocated using their risk-weighted assets of ThCh\$81,498,952 (ThCh\$129,611,038 as of December 31, 2021) and ThCh\$78,501,048 (ThCh\$90,388,962 as of December 31, 2021), respectively.

The following table shows the total assets and liabilities as of December 31, 2022 and 2021, for each segment.

	Retail		Wholesale		Treasury		Subsidiaries		Subtotal		Consolidation adjustments		Total	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Assets	22,025,371,102	20,515,242,739	13,576,674,593	12,806,409,478	18,602,123,173	17,412,550,938	561,621,011	958,446,866	54,765,789,879	51,692,650,021	(387,437,852)	(501,679,180)	54,378,352,027	51,190,970,841
Current and deferred taxes	—	—	—	—	—	—	—	—	—	—	—	—	726,910,552	435,122,830
Total assets	—	—	—	—	—	—	—	—	—	—	—	—	55,105,262,579	51,626,093,671
Liabilities	17,572,010,395	16,779,922,430	10,151,503,233	10,530,748,818	22,182,397,820	19,640,220,525	727,529,490	770,228,251	50,633,440,938	47,721,120,024	(513,820,291)	(574,639,550)	50,119,620,647	47,146,480,474
Current and deferred taxes	—	—	—	—	—	—	—	—	—	—	—	—	931,565	113,129,064
Total liabilities	—	—	—	—	—	—	—	—	—	—	—	—	50,120,552,212	47,259,609,538

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.5 – Cash and cash equivalents

The following table details cash and cash equivalents:

	2022	2021
	ThCh\$	ThCh\$
Cash and due from banks:		
Cash	947,669,481	1,073,600,066
Deposits in the Chilean Central Bank (*)	384,229,874	1,545,472,133
Deposits in foreign central banks	—	—
Deposits in local banks	116,541,185	129,857,733
Deposits in foreign banks	1,316,443,361	964,802,665
Subtotal – cash and deposits in banks	<u>2,764,883,901</u>	<u>3,713,732,597</u>
Transactions pending settlement net (**)	90,403,974	116,719,662
Other cash equivalents (***)	<u>3,250,102,190</u>	<u>3,458,374,310</u>
Total cash and cash equivalents	<u>6,105,390,065</u>	<u>7,288,826,569</u>

The details of net Transactions pending settlement are as follows.

	2022	2021
	ThCh\$	ThCh\$
Assets		
Notes payable to other banks (exchange)	94,674,536	123,051,081
Funds transfers receivable	<u>677,521,428</u>	<u>363,648,905</u>
Subtotal – assets	<u>772,195,964</u>	<u>486,699,986</u>
Liabilities		
Funds transfers payable	<u>(681,791,990)</u>	<u>(369,980,324)</u>
Subtotal – liabilities	<u>(681,791,990)</u>	<u>(369,980,324)</u>
Total transactions pending settlement net	<u>90,403,974</u>	<u>116,719,662</u>

(*) The funds in cash and with the Chilean Central Bank reflect average monthly cash reserve requirements.

(**) Only transactions pending settlement that will normally increase or decrease deposits in the Chilean Central Bank or foreign banks within 12 or 24 hours.

(***) Financial instruments that meet the criteria for being considered “cash equivalents” as defined in IAS 7, which indicates that in order to be classified as “cash equivalents” investments in debt instruments must be short term with an original maturity of 90 days or less from the date of acquisition, highly liquid, readily convertible to known amounts of cash starting on the date of initial investment, which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.6 – Financial assets for trading at fair value through profit and loss

This account is detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Financial derivative contracts	2,960,029,464	2,705,496,013
Debt financial instruments	3,433,744,799	3,737,943,819
Other financial instruments	<u>257,324,696</u>	<u>138,752,960</u>
Total	<u>6,651,098,959</u>	<u>6,582,192,792</u>

a) As of December 31, 2022 and 2021, the Bank has the following portfolio of derivative instrument assets.

	On demand		Notional contract value by final maturity														Asset fair value	
			Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 years		Over 5 years		Total			
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Currency forwards	—	—	3,709,915,401	3,576,287,430	2,877,266,035	2,684,712,661	3,331,246,659	4,847,747,171	523,023,774	782,755,539	45,610,193	70,262,204	—	18,757,860	10,487,062,062	11,980,522	565,372,750	742,545,311
Interest rate swaps	—	—	1,469,420,844	653,112,568	1,372,813,402	2,158,594,439	5,305,881,670	4,953,398,386	5,531,197,141	6,053,885,139	3,897,824,107	3,627,267,549	4,824,660,409	5,350,525,175	22,401,797,573	22,796,783	1,324,540,970	825,525,228
Currency and rate swaps	—	—	400,358,201	130,280,436	443,952,370	335,101,668	1,245,808,882	1,091,776,962	2,695,877,695	2,197,803,963	1,154,754,351	1,751,789,454	2,331,640,076	2,580,685,285	8,272,391,575	768	1,065,036,075	1,132,716,669
Currency call options	—	—	15,503,987	12,853,398	44,966,159	31,914,151	32,089,787	28,494,695	—	2,631,432	—	—	—	—	92,559,933	75,893,676	2,321,327	4,509,465
Currency put options	—	—	8,805,839	6,494,749	16,597,561	8,191,487	22,448,689	16,392,454	—	—	—	—	—	—	47,852,089	31,078,690	2,758,342	199,340
Total	—	—	<u>5,604,004,272</u>	<u>4,379,028,581</u>	<u>4,755,595,527</u>	<u>5,218,514,406</u>	<u>9,937,475,687</u>	<u>10,937,809,668</u>	<u>8,750,098,610</u>	<u>9,037,076,073</u>	<u>5,098,188,651</u>	<u>5,449,319,207</u>	<u>7,156,300,485</u>	<u>7,949,968,320</u>	<u>41,301,663,232</u>	<u>42,971,716</u>	<u>2,960,029,464</u>	<u>2,705,496,013</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.6 – Financial assets for trading at fair value through profit and loss (continued)

(b) Instruments classified as debt financial instruments are detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Instruments issued by the State and the Chilean Central Bank		
Debt financial instruments issued by the Chilean Central Bank	3,014,767,139	3,297,100,293
Treasury bonds and notes	44,524,347	175,022,464
Other debt State financial instruments	—	—
Debt financial instruments issued locally		
Debt financial instruments issued by local banks	374,453,034	265,820,783
Local bonds and corporate commercial papers	279	279
Other debt financial instruments issued locally	—	—
Debt financial instruments issued abroad		
Debt financial instruments issued by foreign central banks	—	—
Financial debt instruments issued by foreign states	—	—
Debt financial instruments issued by foreign banks	—	—
Foreign bonds and corporate commercial papers	—	—
Total	<u>3,433,744,799</u>	<u>3,737,943,819</u>

Instruments issued by the State and the Chilean Central Bank include instruments sold under repurchase agreements to customers and financial institutions. There were none as of December 31, 2022 and 2021. They also include instruments that meet the technical reserve requirements and total ThCh\$3,288,800,000 as of December 31, 2021.

Debt financial instruments issued locally include instruments sold under repurchase agreements to customers and financial institutions amounting to ThCh\$208,329,941 as of December 31, 2022 (ThCh\$84,968,729 as of December 31, 2021). Repurchase agreements have an average maturity of 7 days as of December 31, 2022 (12 days as of December 31, 2021).

The Bank also has investments in its own mortgage-funding notes amounting to ThCh\$2,790,102 as of December 31, 2022 (ThCh\$ 3,831,844 as of December 31, 2021), which are shown deducted from Debt instruments issued.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.6 – Financial assets for trading at fair value through profit and loss (continued)

(c) Other financial instruments are detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Investments in mutual funds		
Mutual funds managed by related parties	250,337,213	125,145,317
Mutual funds managed by third parties	—	—
Equity instruments		
Local equity instruments	2,356,579	3,062,160
Foreign equity instruments	3,260,954	—
Loans originated and acquired by the entity		
Loans and advances to banks	—	—
Commercial loans	—	—
Mortgage loans	—	—
Consumer loans	—	—
Other	1,369,950	10,545,483
Total	<u>257,324,696</u>	<u>138,752,960</u>

Note 40.7 – Non-trading financial assets obligatorily valued at fair value through profit or loss

The Bank did not have any non-trading financial assets obligatorily valued at fair value through profit or loss as of December 31, 2022 and 2021.

Note 40.8 – Financial assets and liabilities designated at fair value through profit and loss

The Bank did not have any financial assets and liabilities designated at fair value through profit and loss as of December 31, 2022 and 2021.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.9 – Financial assets at fair value through other comprehensive income

These are as follows:

	2022 ThCh\$	2021 ThCh\$
Debt financial instruments	3,967,391,895	3,054,809,980
Other financial instruments	—	—
Total	<u>3,967,391,895</u>	<u>3,054,809,980</u>

(a) Debt financial instruments as of December 31, 2022 and 2021, are as follows:

	2022 ThCh\$	2021 ThCh\$
Instruments issued by the State and the Chilean Central Bank		
Debt financial instruments issued by the Chilean Central Bank	—	102,396
Treasury bonds and notes	2,254,578,266	2,480,422,434
Other debt State financial instruments	4,278,154	8,325,188
Debt financial instruments issued locally		
Debt financial instruments issued by local banks	1,494,913,902	538,486,541
Local bonds and corporate commercial papers	45,994,460	27,473,421
Other debt financial instruments issued locally	—	—
Debt financial instruments issued abroad		
Debt financial instruments issued by foreign central banks	—	—
Financial debt instruments issued by foreign states	42,017,415	—
Debt financial instruments issued by foreign banks	125,609,698	—
Foreign bonds and corporate commercial papers	—	—
Other debt financial instruments issued abroad	—	—
Total	<u>3,967,391,895</u>	<u>3,054,809,980</u>

Instruments issued by the State and the Chilean Central Bank include instruments sold under repurchase agreements to customers and financial institutions of ThCh\$7,368,945 as of December 31, 2022 (ThCh\$350,811 as of December 31, 2021). Repurchase agreements had an average maturity of 4 days in December 2022 (4 days in December 2021). Instruments provided as collateral for the FCIC program total approximately ThCh\$693,206,000 as of December 31, 2022. These include instruments that meet the technical reserve requirements and total ThCh\$2,336,780,000 as of December 31, 2022.

These include instruments that guarantee margins for offset hedging transactions through Comder Contraparte Central S.A. of ThCh\$39,507,792 as of December 31, 2021 (ThCh\$33,598,800 as of December 31, 2021).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.9 – Financial assets at fair value through other comprehensive income (continued)

Debt financial instruments issued locally include instruments pledged as collateral within the FCIC program that total approximately ThCh\$219,425,000 as of December 31, 2022 (ThCh\$185,417,000 as of December 31, 2021).

As of December 31, 2022, the accumulated impairment of debt instruments at fair value through other comprehensive income is ThCh\$9,496,034 (ThCh\$4,085,252 as of December 31, 2021).

a.1) The credit rating of debt instrument issuers as of December 31, 2022 and 2021, are as follows.

	December 2022				December 2021			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
	Individual ThCh\$	Individual ThCh\$	Individual ThCh\$	Individual ThCh\$	Individual ThCh\$	Individual ThCh\$	Individual ThCh\$	Individual ThCh\$
Debt Instruments								
Investment grade rating	3,967,391,895	—	—	3,967,391,895	3,054,796,290	13,690	—	3,054,809,980
Without investment grade rating	—	—	—	—	—	—	—	—
Without rating	—	—	—	—	—	—	—	—
Total	3,967,391,895	—	—	3,967,391,895	3,054,796,290	13,690	—	3,054,809,980

a.2) The analysis of changes in fair value and the credit risk provision for debt instruments valued at fair value is as follows:

	Phase 1: Individual		Phase 2: Individual		Phase 3: Individual		Total	
	Fair value ThCh\$	Impairment ThCh\$	Fair value ThCh\$	Impairment ThCh\$	Fair value ThCh\$	Impairment ThCh\$	Fair value ThCh\$	Impairment ThCh\$
Closing balance as of January 1, 2021	1,060,307,259	3,077,640	216,200	6,000	—	—	1,060,523,459	3,083,640
Net change	2,045,246,400	1,005,100	(276,300)	(10,100)	—	—	2,044,970,100	995,000
Change in fair value	(51,655,190)	—	(60,810)	—	—	—	(51,716,000)	—
Transfer to Phase 1	—	—	—	—	—	—	—	—
Transfer to Phase 2	(134,600)	(4,100)	134,600	4,100	—	—	—	—
Transfer to Phase 3	—	—	—	—	—	—	—	—
Impact of inter-phase transfers	—	—	—	—	—	—	—	—
Net impact of impairment	—	—	—	—	—	—	—	—
Exchange differences	1,032,421	6,612	—	—	—	—	1,032,421	6,612
Closing balance as of December 31, 2021	3,054,796,290	4,085,252	13,690	—	—	—	3,054,809,980	4,085,252
Closing balance as of January 1, 2022	3,054,796,290	4,085,252	13,690	—	—	—	3,054,809,980	4,085,252
Net change	864,519,358	5,410,782	(13,690)	—	—	—	864,505,668	5,410,782
Change in fair value	48,076,247	—	—	—	—	—	48,076,247	—
Transfer to Phase 1	—	—	—	—	—	—	—	—
Transfer to Phase 2	—	—	—	—	—	—	—	—
Transfer to Phase 3	—	—	—	—	—	—	—	—
Impact of inter-phase transfers	—	—	—	—	—	—	—	—
Net impact of impairment	—	—	—	—	—	—	—	—
Closing balance as of December 31, 2022	3,967,391,895	9,496,034	—	—	—	—	3,967,391,895	9,496,034

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.9 – Financial assets at fair value through other comprehensive income (continued)

(b) Unrealized and realized income

The portfolio of debt financial instruments as of December 31, 2022, includes an accumulated unrealized gain of ThCh\$267,659 (accumulated unrealized gain of ThCh\$47,808,588 as of December 31, 2021), recognized as a valuation adjustment in equity.

Gross realized gains and losses on the sale of debt financial instruments are shown in Net gain (loss) from financial transactions, as of December 31, 2022 and 2021 (Note 40.30), The annual movements are as follows.

	2022	2021
	ThCh\$	ThCh\$
Unrealized gain (loss)	(15,325,218)	(50,472,152)
Realized loss (gain) reclassified to income	63,401,465	(1,243,701)
Subtotal	<u>48,076,247</u>	<u>(51,715,853)</u>
Income tax on other comprehensive income	797,535	3,847,825
Net effect on equity	<u>48,873,782</u>	<u>(47,868,028)</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.10 – Financial derivative contracts for hedge accounting

(a.1) As of December 31, 2022 and 2021, the Bank has the following portfolio of financial derivative instruments for hedge accounting.

	Notional contract value by final maturity																Fair value asset	
	On demand		Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 years		Over 5 years		Total		2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Fair value hedge derivatives																		
Currency forwards	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency and rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency call options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency put options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cash flow hedge derivatives																		
Currency forwards	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency and rate swaps	—	—	—	—	—	—	167,198,779	35,705,845	135,025,197	322,894,093	122,127,399	108,758,700	111,546,742	895,311,968	535,898,117	1,362,670,606	27,076,908	277,803,145
Currency call options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency put options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	167,198,779	35,705,845	135,025,197	322,894,093	122,127,399	108,758,700	111,546,742	895,311,968	535,898,117	1,362,670,606	27,076,908	277,803,145
Total	—	—	—	—	—	—	167,198,779	35,705,845	135,025,197	322,894,093	122,127,399	108,758,700	111,546,742	895,311,968	535,898,117	1,362,670,606	27,076,908	277,803,145

(a.2) As of December 31, 2022 and 2021, the Bank maintains the following portfolio of liabilities for financial derivative instruments for accounting hedging:

	Notional contract value by final maturity																Fair value liabilities	
	On demand		Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 years		Over 5 years		Total		2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	ThCh\$	ThC h\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThC h\$	ThCh\$	ThC h\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Fair value hedge derivatives																		
Currency forwards	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency and rate swaps	—	—	—	—	—	—	—	1,787,991	—	—	—	—	—	—	—	1,787,991	—	607,800
Currency call options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency put options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	1,787,991	—	—	—	—	—	—	—	1,787,991	—	607,800
Cash flow hedge derivatives																		
Currency forwards	—	—	—	—	—	3,099,174	—	—	—	—	—	—	—	—	—	—	3,099,174	—
Interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	88,394
Currency and rate swaps	—	—	—	—	—	—	63,587,302	—	123,214,267	—	129,165,597	—	1,151,877,847	—	1,467,845,013	—	223,015,559	—
Currency call options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Currency put options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	3,099,174	63,587,302	—	123,214,267	—	129,165,597	—	1,151,877,847	—	1,467,845,013	3,099,174	223,015,559	88,394
Total	—	—	—	—	—	3,099,174	63,587,302	1,787,991	123,214,267	—	129,165,597	—	1,151,877,847	—	1,467,845,013	4,887,165	223,015,559	696,194

Note 40 – Additional notes (continued)

Note 40.10 – Financial derivative contracts for hedge accounting (continued)

(b) Fair value hedges

The Bank uses cross currency swaps to hedge its exposure to changes in the fair value of hedged investments. The hedge instruments mentioned modify the effective cost of long-term assets, from a fixed interest rate to a variable interest rate, reducing the term and modifying the sensitivity to the shortest sections of the curve.

The outstanding items and instruments hedged at fair value as of December 31, 2022 and 2021, are detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Hedged item		
Commercial loans	—	1,787,991
Corporate bonds	—	—
Fair value hedge instrument		
Cross-currency swaps	—	1,787,991
Interest rate swaps	—	—

(c) Cash flow hedges

(c.1) The Bank uses cross-currency swap derivative instruments to hedge the risk of variability of cash flows attributable to changes in interest rates and fluctuations in exchange rates with respect to bonds issued abroad in US dollars, Hong Kong dollars, Swiss francs, Japanese yen, Peruvian soles, Australian dollars, Euros and Norwegian kroner. The cash flows of the cross-currency swaps contracted are similar to the flows of the items hedged, and modify uncertain flows by known flows at a fixed interest rate.

These cross-currency swap contracts are also used to hedge the risk of changes in the Unidad de Fomento (UF) on asset flows denominated in UF up to a nominal amount equivalent to the notional portion in UF of the hedge instrument, whose indexation impacts interest and indexation income in the income statement on a daily basis.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.10 – Financial derivative contracts for hedge accounting (continued)

(c) Cash flow hedges (continued)

(c.2) The cash flows of due to banks and bonds issued abroad subject to this hedge and the cash flows of the asset part of the derivative instrument are detailed as follows.

	On demand		Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 years		Over 5 years		Total	
	2022 ThC h\$	2021 ThC h\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Hedged item																
Cash outflows																
Corporate bond EUR	—	—	—	—	—	—	(1,533,305)	(1,625,891)	(45,839,151)	(3,251,783)	(1,645,705)	(47,853,743)	(52,347,130)	(56,380,590)	(101,365,291)	(109,112,007)
Corporate bond HKD	—	—	—	—	—	—	(92,126,892)	(15,897,259)	(92,999,322)	(105,827,848)	(161,661,537)	(91,271,027)	(158,619,626)	(309,895,998)	(505,407,377)	(522,892,132)
Corporate bond PEN	—	—	—	—	(3,172,312)	(841,474)	(3,172,312)	(841,474)	(12,689,246)	(3,365,898)	(12,689,246)	(3,365,898)	(163,093,170)	(43,382,683)	(194,816,286)	(51,797,427)
Corporate bond CHF	—	—	(377,680)	(63,679)	—	—	(106,876,680)	(958,114)	(139,269,797)	(249,008,253)	(120,501,840)	(764,142)	—	(121,520,760)	(367,025,997)	(372,314,948)
Corporate bond USD	—	—	—	—	—	—	(14,519,716)	(1,814,397)	(29,039,431)	(3,628,793)	(22,684,186)	(3,628,793)	(526,616,431)	(46,260,293)	(592,859,764)	(55,332,276)
Obligation USD	—	—	—	—	—	—	(59,876,044)	(426,955)	—	(60,047,179)	—	—	—	—	(59,876,044)	(60,474,134)
Corporate bond JPY	—	—	—	—	(112,956)	(129,534)	(1,739,515)	(39,208,101)	(3,704,941)	(4,248,716)	(3,704,941)	(4,248,716)	(209,193,607)	(242,021,383)	(218,455,960)	(289,856,450)
Corporate bond AUD	—	—	—	—	(1,137,895)	(1,219,753)	(4,486,663)	(4,794,210)	(11,254,109)	(12,024,257)	(11,251,523)	(12,022,780)	(242,281,549)	(264,900,590)	(270,411,739)	(294,961,590)
Corporate bond NOK	—	—	—	—	—	—	(2,365,872)	(2,646,113)	(4,731,745)	(5,292,226)	(4,731,745)	(5,292,226)	(69,621,281)	(80,514,125)	(81,450,643)	(93,744,690)
Hedge instrument																
Cash inflows																
Cross-currency swap EUR	—	—	—	—	—	—	1,533,305	1,625,891	45,839,151	3,251,783	1,645,705	47,853,743	52,347,130	56,380,590	101,365,291	109,112,007
Cross-currency swap HKD	—	—	—	—	—	—	92,126,892	15,897,259	92,999,322	105,827,848	161,661,537	91,271,027	158,619,626	309,895,998	505,407,377	522,892,132
Cross-currency swap PEN	—	—	—	—	3,172,312	841,474	3,172,312	841,474	12,689,246	3,365,898	12,689,246	3,365,898	163,093,170	43,382,683	194,816,286	51,797,427
Cross-currency swap CHF	—	—	377,680	63,679	—	—	106,876,680	958,114	139,269,797	249,008,253	120,501,840	764,142	—	121,520,760	367,025,997	372,314,948
Cross-currency swap USD	—	—	—	—	—	—	14,519,716	1,814,397	29,039,431	3,628,793	22,684,186	3,628,793	526,616,431	46,260,293	592,859,764	55,332,276
Cross-currency swap JPY	—	—	—	—	—	—	59,876,044	426,955	—	60,047,179	—	—	—	—	59,876,044	60,474,134
Cross-currency swap AUD	—	—	—	—	—	—	1,739,515	39,208,101	3,704,941	4,248,716	3,704,941	4,248,716	209,193,607	242,021,383	218,455,960	289,856,450
Cross-currency swap NOK	—	—	—	—	—	—	1,137,895	1,219,753	4,486,663	4,794,210	11,251,523	12,022,780	242,281,549	264,900,590	270,411,739	294,961,590
Net cash flows	—	—	—	—	—	—	2,365,872	2,646,113	4,731,745	5,292,226	4,731,745	5,292,226	69,621,281	80,514,125	81,450,643	93,744,690

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.10 – Financial derivative contracts for hedge accounting (continued)

(c) Cash flow hedges (continued)

(c.2) The cash flows of underlying assets and cash flows of the liability part of the derivative instrument are detailed as follows.

	On demand		Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 Years		Over 5 years		Total	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Hedged item																
Cash inflows																
Cash flow in CHF	—	—	1,437,492	536,667	1,741,729	4,031,162	268,091,551	59,853,215	327,478,198	370,885,524	309,407,750	144,431,664	1,389,011,809	968,899,680	2,297,168,529	1,548,637,912
Hedge instrument																
Cash outflows																
Cross-currency swap HKD	—	—	(193,251)	(170,579)	—	—	(76,544,279)	(9,629,520)	(91,880,488)	(75,574,778)	(135,954,186)	(79,357,603)	(113,472,483)	(214,067,066)	(418,044,687)	(378,799,546)
Cross-currency swap PEN	—	—	—	—	(745,602)	(51,165)	(789,297)	(52,013)	(3,058,464)	(206,639)	(3,069,799)	(206,356)	(116,032,561)	(33,974,100)	(123,695,723)	(34,490,273)
Cross-currency swap JPY	—	—	—	—	(386,551)	(341,200)	(4,358,291)	(40,029,115)	(9,502,683)	(8,387,823)	(9,489,683)	(8,376,348)	(281,159,770)	(252,362,121)	(304,896,978)	(309,496,607)
Cross-currency swap USD	—	—	—	—	—	—	(74,623,031)	(1,103,658)	(21,022,776)	(57,935,938)	(21,051,608)	(1,401,850)	(526,067,609)	(39,367,705)	(642,765,024)	(99,809,151)
Cross-currency swap CHF	—	—	(1,244,241)	(366,088)	—	—	(107,514,312)	(5,281,314)	(143,166,302)	(220,166,355)	(132,877,924)	(4,387,064)	—	(115,104,082)	(384,802,779)	(345,304,903)
Cross-currency swap EUR	—	—	—	—	—	—	(2,297,937)	(2,028,342)	(53,703,101)	(4,070,026)	(1,823,670)	(46,164,693)	(53,057,097)	(47,638,370)	(110,881,805)	(99,901,431)
Cross-currency swap AUD	—	—	—	—	(609,576)	(539,623)	(1,211,087)	(1,064,315)	(3,635,686)	(3,212,269)	(3,634,247)	(3,207,875)	(221,508,726)	(197,125,135)	(230,599,322)	(205,149,217)
Cross-currency swap NOK	—	—	—	—	—	—	(753,317)	(664,938)	(1,508,698)	(1,331,696)	(1,506,633)	(1,329,875)	(77,713,563)	(69,261,101)	(81,482,211)	(72,587,610)
Forward UF	—	—	—	—	—	(3,099,174)	—	—	—	—	—	—	—	—	—	(3,099,174)
Net cash flows	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.10 – Financial derivative contracts for hedge accounting (continued)

(c) Cash flow hedges (continued)

UF assets hedged are revalued monthly as the UF changes, which is the equivalent of reinvesting the assets monthly until the hedge matures.

(c.3) The unrealized results from derivative contracts that form the hedging instruments in this cash flow hedging strategy have been recorded with a charge to equity of ThCh\$215,475,602 in 2022 (credit to equity of ThCh\$182,376,099 in 2021). The net effect of deferred taxes is a net charge to equity of ThCh\$157,297,190 in 2022 (net credit to equity of ThCh\$128,829,523 in 2021).

The accumulated balance as of December 31, 2022, is a charge to equity of ThCh\$103,781,045 (charge of ThCh\$111,694,557 as of December 31, 2021).

(c.4) The effect of the cash flow hedge derivatives, which offsets the effect of the instruments hedged, is a charge to income of ThCh\$251,369,440 in 2022 (credit to income of ThCh\$123,100,362 in 2021).

(c.5) As of December 31, 2022 and 2021, there is no ineffectiveness in the cash-flow hedges as both the element hedged and the object of the hedge mirror each other, which implies that all changes in value attributable to components of rate and indexation are completely offset.

(c.6) As of December 31, 2022 and 2021, the Bank has no net investment hedges in foreign businesses.

Note 40.11 – Financial Assets at Amortized Cost

These are as follows:

	2022 ThCh\$	2021 ThCh\$
Rights under resale agreements and securities borrowing	54,061,245	64,365,192
Debt financial instruments	902,355,480	839,744,154
Loans and advances to banks	2,174,114,579	1,529,312,880
Customer loans and receivables		
Commercial loans	20,135,614,428	19,502,534,359
Mortgage loans	11,416,154,333	10,346,650,483
Consumer loans	4,992,939,639	4,248,710,042
Provisions for loan losses		
Provisions on commercial loans	(414,199,527)	(416,888,323)
Provisions on mortgage loans	(29,302,570)	(30,730,503)
Provisions on consumer loans	(334,889,037)	(270,630,049)
Total	<u>38,896,848,570</u>	<u>35,813,068,235</u>

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(a) Repurchase agreements and securities lending rights

The Bank grants financing to its customers through repurchase agreements and securities lending, where it receives financial instruments in guarantee. As of December 31, 2022 and 2021, these are detailed as follows:

	On demand		Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 years		Over 5 years		Total	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Instruments issued by the State and the Chilean Central Bank																
Central Bank bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Chilean Central Bank promissory notes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other instruments of the State and the Chilean Central Bank	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Debt financial instruments issued locally																
Deposit promissory notes issued in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortgage bonds from banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonds from banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Deposits with banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonds from other Chilean companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other instruments issued in Chile	—	—	35,548,913	37,763,007	14,324,313	14,012,917	4,188,019	12,589,268	—	—	—	—	—	—	54,061,245	64,365,192
Subtotal	—	—	35,548,913	37,763,007	14,324,313	14,012,917	4,188,019	12,589,268	—	—	—	—	—	—	54,061,245	64,365,192
Debt financial instruments issued abroad																
Foreign sovereign or central bank instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other foreign instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	35,548,913	37,763,007	14,324,313	14,012,917	4,188,019	12,589,268	—	—	—	—	—	—	54,061,245	64,365,192

Instruments bought

The Bank and its subsidiaries have received financial instruments that they can sell or give in guarantee should the owner of these instruments cease to make payments or be declared bankrupt. As of December 31, 2022, the fair value of the instruments received was ThCh\$53,173,160 (ThCh\$65,531,210 as of December 31, 2021).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(b) Debt financial instruments

As of December 31, 2022 and 2021, these are as follows:

	2022	2021
	ThCh\$	ThCh\$
Instruments issued by the State and the Chilean Central Bank		
Debt financial instruments issued by the Chilean Central Bank	—	—
Treasury bonds and notes	902,355,480	839,744,154
Other debt State financial instruments	—	—
Debt financial instruments issued locally		
Debt financial instruments issued by local banks	—	—
Local bonds and corporate commercial papers	—	—
Other debt financial instruments issued locally	—	—
Debt financial instruments issued abroad		
Debt financial instruments issued by foreign central banks	—	—
Financial debt instruments issued by foreign states	—	—
Debt financial instruments issued by foreign banks	—	—
Foreign bonds and corporate commercial papers	—	—
Other debt financial instruments issued abroad	—	—
Accumulated impairment of financial assets at amortized cost, Debt financial instruments		
Financial assets without a significant increase in credit risk since initial recognition (phase 1)	—	—
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2)	—	—
Financial assets with credit impairment (phase 3)	—	—
Total	<u>902,355,480</u>	<u>839,744,154</u>

Instruments from the State and the Chilean Central Bank include instruments pledged as collateral within the FCIC program that total approximately ThCh\$560,434,000 as of December 31, 2022 (ThCh\$456,056,578 as of December 31, 2021).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(c) Loans to banks

As of December 31, 2022 and 2021, these are as follows:

	Assets before provisions				Provisions				Net Financial Asset ThCh\$
	Normal Portfolio Individual Assessment ThCh\$	Substandard Portfolio Individual Assessment ThCh\$	Default Portfolio Individual Assessment ThCh\$	Total ThCh\$	Normal Portfolio Individual Assessment ThCh\$	Substandard Portfolio Individual Assessment ThCh\$	Default Portfolio Individual Assessment ThCh\$	Total ThCh\$	
As of December 31, 2022									
Domestic banks									
Interbank liquidity loans	—	—	—	—	—	—	—	—	—
Interbank commercial loans	—	—	—	—	—	—	—	—	—
Overdrafts in checking accounts	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean exports	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean imports	—	—	—	—	—	—	—	—	—
Foreign trade loans between third party countries	—	—	—	—	—	—	—	—	—
Non-transferable deposits in local banks	—	—	—	—	—	—	—	—	—
Other credit balances with local banks	—	—	—	—	—	—	—	—	—
Foreign banks									
Interbank liquidity loans	—	—	—	—	—	—	—	—	—
Interbank commercial loans	186,660,058	—	—	186,660,058	(408,319)	—	—	(408,319)	186,251,739
Overdrafts in checking accounts	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean exports	186,553,410	—	—	186,553,410	(269,077)	—	—	(269,077)	186,284,333
Foreign trade loans - Chilean imports	—	—	—	—	—	—	—	—	—
Foreign trade loans between third party countries	478,902	—	—	478,902	(395)	—	—	(395)	478,507
Deposits in current accounts in foreign banks for derivative transactions	—	—	—	—	—	—	—	—	—
Other non-transferable deposits in foreign banks	—	—	—	—	—	—	—	—	—
Other credit balances with foreign banks	—	—	—	—	—	—	—	—	—
Subtotal local and foreign banks	373,692,370	—	—	373,692,370	(677,791)	—	—	(677,791)	373,014,579
Chilean Central Bank									
Deposits in current account for derivative transactions with a central counterparty	—	—	—	—	—	—	—	—	—
Other unavailable deposits	1,801,100,000	—	—	1,801,100,000	—	—	—	—	1,801,100,000
Other receivables	—	—	—	—	—	—	—	—	—
Foreign Central Banks									
Deposits in current accounts for derivative transactions	—	—	—	—	—	—	—	—	—
Other unavailable deposits	—	—	—	—	—	—	—	—	—
Other receivables	—	—	—	—	—	—	—	—	—
Subtotal Central Bank of Chile and foreign central banks	1,801,100,000	—	—	1,801,100,000	—	—	—	—	1,801,100,000
Total	2,174,792,370	—	—	2,174,792,370	(677,791)	—	—	(677,791)	2,174,114,579

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(c) Loans to Banks (continued)

As of December 31, 2021	Assets before provisions				Provisions				Net Financial Asset ThCh\$
	Normal Portfolio Individual Assessment ThCh\$	Substandard Portfolio Individual Assessment ThCh\$	Default Portfolio Individual Assessment ThCh\$	Total ThCh\$	Normal Portfolio Individual Assessment ThCh\$	Substandard Portfolio Individual Assessment ThCh\$	Default Portfolio Individual Assessment ThCh\$	Total ThCh\$	
Domestic banks									
Interbank liquidity loans	160,017,778	—	—	160,017,778	(57,606)	—	—	(57,606)	159,960,172
Interbank commercial loans	—	—	—	—	—	—	—	—	—
Overdrafts in checking accounts	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean exports	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean imports	—	—	—	—	—	—	—	—	—
Foreign trade loans between third party countries	—	—	—	—	—	—	—	—	—
Non-transferable deposits in local banks	—	—	—	—	—	—	—	—	—
Other credit balances with local banks	—	—	—	—	—	—	—	—	—
Foreign banks									
Interbank liquidity loans	—	—	—	—	—	—	—	—	—
Interbank commercial loans	158,307,729	—	—	158,307,729	(346,298)	—	—	(346,298)	157,961,431
Overdrafts in checking accounts	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean exports	121,007,869	—	—	121,007,869	(113,973)	—	—	(113,973)	120,893,896
Foreign trade loans - Chilean imports	—	—	—	—	—	—	—	—	—
Foreign trade loans between third party countries	497,792	—	—	497,792	(411)	—	—	(411)	497,381
Deposits in current accounts in foreign banks for derivative transactions	—	—	—	—	—	—	—	—	—
Other non-transferable deposits in foreign banks	—	—	—	—	—	—	—	—	—
Other credit balances with foreign banks	—	—	—	—	—	—	—	—	—
Subtotal local and foreign banks	439,831,168	—	—	439,831,168	(518,288)	—	—	(518,288)	439,312,880
Chilean Central Bank									
Deposits in current account for derivative transactions with a central counterparty	—	—	—	—	—	—	—	—	—
Other unavailable deposits	1,090,000,000	—	—	1,090,000,000	—	—	—	—	1,090,000,000
Other receivables	—	—	—	—	—	—	—	—	—
Foreign Central Banks									
Deposits in current accounts for derivative transactions	—	—	—	—	—	—	—	—	—
Other unavailable deposits	—	—	—	—	—	—	—	—	—
Other receivables	—	—	—	—	—	—	—	—	—
Subtotal Central Bank of Chile and foreign central banks	1,090,000,000	—	—	1,090,000,000	—	—	—	—	1,090,000,000
Total	1,529,831,168	—	—	1,529,831,168	(518,288)	—	—	(518,288)	1,529,312,880

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(d) Customer loans and receivables

As of December 31, 2022 and 2021, these are as follows:

Customer loans and receivables As of December 31, 2022	Assets before provisions						Provisions						Net Financial Assets ThCh\$		
	Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment		Total ThCh\$	Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment		Subtotal ThCh\$		FOGAPE COVID-19 Guarantee Deductible ThCh\$	Total ThCh\$
	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$		Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Group ThCh\$	Individual ThCh\$				
Commercial loans															
Commercial loans	11,117,740,141	3,946,953,972	227,161,086	162,189,698	267,427,969	15,721,472,866	(97,717,013)	(29,691,388)	(18,459,429)	(59,989,187)	(82,000,012)	(287,857,029)	(31,986,177)	(319,843,206)	15,401,629,660
Foreign trade loans - Chilean exports	941,478,454	3,856,700	4,565,313	5,980,472	532,672	956,413,611	(19,032,950)	(113,608)	(255,644)	(2,778,973)	(255,203)	(22,436,378)	—	(22,436,378)	933,977,233
Foreign trade loans - traded on Chilean import terms	2,714,827	—	—	—	—	2,714,827	(120,502)	—	—	—	—	(120,502)	—	(120,502)	2,594,325
Foreign trade loans - Chilean imports	638,964,033	43,914,726	9,726,169	3,966,694	1,842,983	698,414,605	(19,477,520)	(1,192,933)	(708,990)	(2,563,663)	(868,203)	(24,811,309)	—	(24,811,309)	673,603,296
Checking account debtors	78,854,590	87,728,390	5,259,814	2,672,597	1,143,587	175,658,978	(2,093,065)	(2,082,970)	(679,243)	(669,436)	(544,279)	(6,068,993)	—	(6,068,993)	169,589,985
Credit card debtors	18,235,039	61,910,597	875,256	649,434	5,153,215	86,823,541	(726,475)	(1,852,430)	(135,935)	(373,362)	(2,795,376)	(5,883,578)	—	(5,883,578)	80,939,963
Factoring transactions	589,682,211	34,074,143	4,254,877	454,112	52,664	628,518,007	(10,522,740)	(828,456)	(333,032)	(351,086)	(18,906)	(12,054,220)	—	(12,054,220)	616,463,787
Commercial financial leasing transactions (1)	1,415,018,189	290,771,629	35,050,141	31,391,630	9,162,009	1,781,393,598	(2,560,014)	(3,783,728)	(145,507)	(4,258,728)	(1,227,519)	(11,975,496)	(757,227)	(12,732,231)	1,768,660,875
Student loans	—	56,542,187	—	—	3,051,577	59,593,764	—	(2,450,650)	—	—	(2,104,581)	(4,555,231)	—	(4,555,231)	55,038,533
Other loans and receivables	6,551,341	9,088,480	323,555	7,357,362	1,289,893	24,610,631	(215,612)	(25,374)	(78,573)	(4,950,854)	(422,974)	(5,693,387)	—	(5,693,387)	18,917,244
Subtotal	14,809,238,825	4,534,840,824	287,216,211	214,661,999	289,656,569	20,135,614,428	(152,465,891)	(42,021,537)	(20,796,353)	(75,935,289)	(90,237,053)	(381,456,123)	(32,743,404)	(414,199,527)	19,721,414,901
Mortgage loans															
Loans with mortgage bonds	—	3,717,043	—	—	174,976	3,892,019	—	(3,918)	—	—	(8,511)	(12,429)	—	(12,429)	3,879,590
Endorsable mortgage loans	—	14,251,498	—	—	349,204	14,600,702	—	(15,588)	—	—	(28,161)	(43,749)	—	(43,749)	14,556,953
Mutual loans financed with mortgage bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other mutual residential loans	—	11,044,318,423	—	—	189,029,472	11,233,347,895	—	(14,495,208)	—	—	(13,112,360)	(27,607,568)	—	(27,607,568)	11,205,740,327
Financial leasing transactions for mortgages (1)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other loans and receivables	—	158,131,377	—	—	6,182,340	164,313,717	—	(639,198)	—	—	(999,626)	(1,638,824)	—	(1,638,824)	162,674,893
Subtotal	—	11,220,418,341	—	—	195,735,992	11,416,154,333	—	(15,153,912)	—	—	(14,148,658)	(29,302,570)	—	(29,302,570)	11,386,851,763
Consumer loans															
Consumer loans in installments	—	2,925,946,520	—	—	188,507,085	3,114,453,605	—	(147,154,340)	—	—	(114,175,540)	(261,329,880)	—	(261,329,880)	2,853,123,725
Checking account debtors	—	250,308,318	—	—	3,100,784	253,409,102	—	(9,661,335)	—	—	(1,521,888)	(11,183,223)	—	(11,183,223)	242,225,879
Credit card debtors	—	1,593,759,055	—	—	29,776,399	1,623,535,454	—	(43,204,309)	—	—	(18,184,034)	(61,388,343)	—	(61,388,343)	1,562,147,111
Consumer financial leasing transactions (1)	—	502,656	—	—	—	502,656	—	(6,240)	—	—	(6,240)	(6,240)	—	(6,240)	496,416
Other loans and receivables	—	46,536	—	—	992,286	1,038,822	—	(17,722)	—	—	(963,629)	(981,351)	—	(981,351)	57,471
Subtotal	—	4,770,563,085	—	—	222,376,554	4,992,939,639	—	(200,043,946)	—	—	(134,845,091)	(334,889,037)	—	(334,889,037)	4,658,050,602
Total	14,809,238,825	20,525,822,250	287,216,211	214,661,999	707,769,115	36,544,708,400	(152,465,891)	(257,219,395)	(20,796,353)	(75,935,289)	(239,230,802)	(745,647,730)	(32,743,404)	(778,391,134)	35,766,317,266

- (1) The Bank finances its customers' purchases, including real estate and other personal property, through finance lease agreements. As of December 31, 2022, ThCh\$910,140,825 are real estate finance leases, and ThCh\$871,755,429 are personal property finance leases.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(d) Customer loans and receivables (continued)

Customer loans and receivables As of December 31, 2021	Assets before provisions					Provisions					Net Financial Assets ThCh\$			
	Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment		Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment			FOGAPE COVID-19 Guarantee		
	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Deductible ThCh\$		Subtotal ThCh\$	Deductible ThCh\$	Total ThCh\$
Commercial loans														
Commercial loans	11,096,522,267	4,230,007,426	140,133,771	126,749,727	252,100,384	18,845,513,575	(99,680,615)	(42,950,719)	(4,994,060)	(55,237,753)	(78,173,272)	(281,036,419)	(328,232,079)	15,517,281,496
Foreign trade loans - Chilean exports	696,471,365	5,621,984	3,991,349	11,889,882	1,035,098	719,009,678	(16,381,535)	(148,963)	(95,669)	(5,798,963)	(527,558)	(22,952,688)	(22,952,688)	696,056,990
Foreign trade loans - Chilean imports	494,705,579	45,838,532	3,264,088	3,750,284	1,728,208	549,286,691	(18,219,210)	(1,146,328)	(230,481)	(1,808,011)	(958,070)	(22,362,100)	(22,362,100)	526,924,591
Foreign trade loans between third party countries	2,949,538	—	—	—	—	2,949,538	(128,317)	—	—	—	—	(128,317)	(128,317)	2,821,221
Checking account debtors	69,300,003	69,300,620	3,521,076	832,314	1,055,854	144,009,867	(1,638,388)	(1,653,414)	(230,915)	(417,982)	(443,749)	(4,384,448)	(4,384,448)	139,625,419
Credit card debtors	12,442,953	45,971,898	498,330	416,607	3,261,649	62,591,437	(510,028)	(1,282,554)	(84,169)	(258,678)	(1,772,511)	(3,907,940)	(3,907,940)	58,683,497
Factoring transactions	446,555,688	36,272,158	2,923,964	410,883	93,061	486,255,754	(9,050,916)	(924,065)	(414,652)	(265,468)	(33,409)	(10,688,510)	(10,688,510)	475,567,244
Commercial financial leasing transactions (1)	1,275,806,178	275,147,475	43,173,674	10,123,500	7,812,301	1,612,063,128	(2,916,884)	(1,841,561)	(52,929)	(2,438,825)	(2,976,665)	(10,226,864)	(1,338,177)	1,600,498,087
Student loans	—	55,345,615	—	—	2,601,564	57,947,179	—	(2,554,527)	—	(1,753,769)	(4,308,296)	(4,308,296)	(4,308,296)	53,638,883
Other loans and receivables	5,569,062	6,808,624	159,483	8,788,021	1,582,322	22,907,512	(180,943)	(8,620)	(17,568)	(7,451,339)	(700,434)	(8,358,904)	(8,358,904)	14,548,608
Subtotal	14,100,322,633	4,770,314,332	197,665,735	162,961,218	271,270,441	19,502,534,359	(148,706,836)	(52,510,751)	(6,120,443)	(73,677,019)	(87,339,437)	(368,354,486)	(48,533,837)	19,085,646,036
Mortgage loans														
Loans with mortgage bonds	—	5,721,931	—	—	333,753	6,055,684	—	(3,644)	—	—	(14,698)	(18,342)	(18,342)	6,037,342
Endorsable mortgage loans	—	16,941,336	—	—	842,044	17,783,380	—	(9,417)	—	—	(47,538)	(56,955)	(56,955)	17,726,425
Mutual loans financed with mortgage bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other mutual residential loans	—	9,896,876,572	—	—	273,163,640	10,170,040,212	—	(9,048,828)	—	(19,590,560)	(28,639,388)	(28,639,388)	(28,639,388)	10,141,400,824
Financial leasing transactions for mortgages (1)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other loans and receivables	—	142,753,295	—	—	10,017,912	152,771,207	—	(450,952)	—	—	(1,564,866)	(2,015,818)	(2,015,818)	150,755,389
Subtotal	—	10,062,293,134	—	—	284,357,349	10,346,650,483	—	(9,512,841)	—	—	(21,217,662)	(30,730,503)	(30,730,503)	10,315,919,980
Consumer loans														
Consumer loans in installments	—	2,684,317,164	—	—	190,963,752	2,875,280,916	—	(112,004,861)	—	—	(115,099,804)	(227,104,665)	(227,104,665)	2,648,176,251
Checking account debtors	—	168,993,004	—	—	3,630,461	172,623,465	—	(5,421,651)	—	—	(1,324,292)	(6,745,943)	(6,745,943)	165,877,522
Credit card debtors	—	1,179,592,108	—	—	19,533,721	1,199,125,829	—	(25,194,799)	—	—	(10,443,370)	(35,638,169)	(35,638,169)	1,163,487,660
Consumer financial leasing transactions (1)	—	509,526	—	—	—	509,526	—	(9,988)	—	—	(9,988)	(9,988)	(9,988)	499,538
Other loans and receivables	—	7,425	—	—	1,162,881	1,170,306	—	(2,278)	—	—	(1,129,006)	(1,131,284)	(1,131,284)	39,022
Subtotal	—	4,033,419,227	—	—	215,290,815	4,248,710,042	—	(142,633,577)	—	—	(127,996,472)	(270,630,049)	(270,630,049)	3,978,079,993
Total	14,100,322,633	18,866,026,693	197,665,735	162,961,218	770,918,605	34,097,894,884	(148,706,836)	(204,657,169)	(6,120,443)	(73,677,019)	(236,553,571)	(669,715,038)	(48,533,837)	33,379,646,009

- (1) The Bank finances its customers' purchases, including real estate and other personal property, through finance lease agreements. As of December 31, 2021, ThCh\$810,611,102 are real estate finance leases, and ThCh\$801,961,552 are personal property finance leases.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(e) Contingent loans

As of December 31, 2022 and 2021, the exposure to credit risk from contingent loans was as follows:

	Contingent credit exposure before provisions						Provisions created						Net credit risk exposure on contingent loans ThCh\$
	Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment		Total ThCh\$	Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment		Total ThCh\$	
	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$		Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$		
As of December 31, 2022													
Co-debtors and guarantees	340,789,587	574,951	7,361,922	47,718	—	348,774,178	(2,939,462)	(8,378)	(2,970,038)	(19,087)	—	(5,936,965)	342,837,213
Letters of credit for the movement of goods	423,810,295	384,675	—	—	—	424,194,970	(875,272)	(1,902)	—	—	—	(877,174)	423,317,796
Local currency debt purchase commitments abroad	—	—	—	—	—	—	—	—	—	—	—	—	—
Transactions related to contingent events	2,541,710,799	52,124,448	86,747,736	16,872,137	152,902	2,697,608,022	(25,757,998)	(533,186)	(7,888,075)	(3,527,650)	(72,857)	(37,779,766)	2,659,828,256
Unrestricted lines of credit with immediate cancellation	1,251,040,490	8,078,995,603	4,948,028	788,915	12,089,400	9,347,862,436	(2,060,662)	(4,114,891)	(66,455)	(471,450)	(5,986,028)	(12,699,486)	9,335,162,950
Unrestricted lines of credit	—	—	—	—	—	—	—	—	—	—	—	—	—
Higher education loans in accordance with Law 20,027 (CAE)	—	—	—	—	—	—	—	—	—	—	—	—	—
Other irrevocable loan commitments	—	—	—	—	—	—	—	—	—	—	—	—	—
Other contingent loans	72,355,109	—	—	—	—	72,355,109	(83,533)	—	—	—	—	(83,533)	72,271,576
Total	4,629,706,280	8,132,079,677	99,057,686	17,708,770	12,242,302	12,890,794,715	(31,716,927)	(4,658,357)	(10,924,568)	(4,018,187)	(6,058,885)	(57,376,924)	12,833,417,791
	Contingent credit exposure before provisions						Provisions created						Net credit risk exposure on contingent loans ThCh\$
	Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment		Total ThCh\$	Normal Portfolio Assessment		Substandard Portfolio Assessment	Default Portfolio Assessment		Total ThCh\$	
	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$		Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$		
As of December 31, 2021													
Co-debtors and guarantees	431,931,978	567,304	7,169,806	—	—	439,669,088	(3,719,807)	(8,147)	(3,014,867)	—	—	(6,742,821)	432,926,267
Letters of credit for the movement of goods	448,300,425	1,603,843	120,161	—	—	450,024,429	(1,576,619)	(6,132)	(2,328)	—	—	(1,585,079)	448,439,350
Local currency debt purchase commitments abroad	—	—	—	—	—	—	—	—	—	—	—	—	—
Transactions related to contingent events	2,290,719,746	45,447,202	28,697,438	1,728,249	360,821	2,366,953,456	(27,541,031)	(469,925)	(1,223,332)	(870,751)	(197,985)	(30,303,024)	2,336,650,432
Unrestricted lines of credit with immediate cancellation	1,311,852,323	7,310,485,594	4,421,049	719,078	23,715,195	8,651,193,239	(1,920,684)	(3,886,548)	(57,496)	(409,432)	(9,054,679)	(15,328,839)	8,635,864,400
Unrestricted lines of credit	—	—	—	—	—	—	—	—	—	—	—	—	—
Higher education loans in accordance with Law 20,027 (CAE)	—	—	—	—	—	—	—	—	—	—	—	—	—
Other irrevocable loan commitments	—	—	—	—	—	—	—	—	—	—	—	—	—
Other contingent loans	78,950,947	—	—	—	—	78,950,947	(26,296)	—	—	—	—	(26,296)	78,924,651
Total	4,561,755,419	7,358,103,943	40,408,454	2,447,327	24,076,016	11,986,791,159	(34,784,437)	(4,370,752)	(4,298,023)	(1,280,183)	(9,252,664)	(53,986,059)	11,932,805,100

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions

Summary of the movement in loans to banks provisions for credit risk portfolio during the year:

	Movement in provisions by portfolio during the period			Total
	Individual Assessment			
	Normal Portfolio	Substandard Portfolio	Default Portfolio	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Loans and advances to banks				
Closing balance as of January 1, 2022	518,288	—	—	518,288
Creation / release of provisions for:	—	—	—	—
Change in measurement without portfolio reclassification during the period:	(50,678)	—	—	(50,678)
Change in measurement without portfolio reclassification during the period [portfolio from (-) to (+)]:				
Individual regular to substandard	—	—	—	—
Individual regular to non-performing	—	—	—	—
Individual substandard to non-performing	—	—	—	—
Individual substandard to regular	—	—	—	—
Individual non-performing to substandard	—	—	—	—
Individual non-performing to regular	—	—	—	—
New loans originated	1,793,372	—	—	1,793,372
New loans for conversion from contingent to loans	—	—	—	—
New loans acquired	—	—	—	—
Sale or transfer of loans	—	—	—	—
Loan repayment	(1,549,286)	—	—	(1,549,286)
Application of provisions for write-offs	—	—	—	—
Recovery of written-off loans	—	—	—	—
Exchange differences	(33,905)	—	—	(33,905)
Other changes in provisions	—	—	—	—
Closing balance as of December 31, 2022	<u>677,791</u>	<u>—</u>	<u>—</u>	<u>677,791</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

	Movement in provisions by portfolio during the period			Total
	Individual Assessment			
	Normal Portfolio	Substandard Portfolio	Default Portfolio	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Loans and advances to banks				
Closing balance as of January 1, 2021	665,159	—	—	665,159
Creation / release of provisions for:	—	—	—	—
Change in measurement without portfolio reclassification during the period:	10,913	—	—	10,913
Change in measurement without portfolio reclassification during the period [portfolio from (-) to (+)]:				
Individual regular to substandard	—	—	—	—
Individual regular to non-performing	—	—	—	—
Individual substandard to non-performing	—	—	—	—
Individual substandard to regular	—	—	—	—
Individual non-performing to substandard	—	—	—	—
Individual non-performing to regular	—	—	—	—
New loans originated	622,801	—	—	622,801
New loans for conversion from contingent to loans	—	—	—	—
New loans acquired	—	—	—	—
Sale or transfer of loans	—	—	—	—
Loan repayment	(895,087)	—	—	(895,087)
Application of provisions for write-offs	—	—	—	—
Recovery of written-off loans	—	—	—	—
Exchange differences	15,557	—	—	15,557
Other changes in provisions (if applicable)	—	—	—	—
Closing balance as of September 30, 2021	<u>419,343</u>	<u>—</u>	<u>—</u>	<u>419,343</u>
Closing balance as of December 31, 2021	<u>518,288</u>	<u>—</u>	<u>—</u>	<u>518,288</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

Summary of the movement in commercial loan provisions for the credit risk portfolio during the period:

	Movement in provisions by portfolio during the period								FOGAPE COVID-19 Guarante Deductible ThCh\$	Total ThCh\$
	Normal Portfolio Assessment		Substandard Portfolio ThCh\$	Default Portfolio Assessment		Subtotal				
	Group ThCh\$	Individual ThCh\$		Group ThCh\$	Individual ThCh\$	Group ThCh\$	Individual ThCh\$			
Commercial loans										
Closing balance as of January 1, 2022	52,510,751	148,706,836	6,120,443	87,339,437	73,677,019	139,850,188	228,504,298	48,533,837	416,888,323	
Creation / release of provisions for:										
Change in measurement without portfolio reclassification during the period:	(2,777,328)	(25,395,203)	(4,103,269)	15,801,202	23,724,567	13,023,874	(5,773,905)	—	7,249,969	
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:										
Individual regular to substandard	—	(4,203,440)	21,074,709	—	—	—	16,871,269	—	16,871,269	
Individual regular to non-performing	—	(1,014,928)	—	—	9,568,252	—	8,553,324	—	8,553,324	
Individual substandard to non-performing	—	—	(2,833,149)	—	14,814,263	—	11,981,114	—	11,981,114	
Individual substandard to regular	—	944,487	(894,135)	—	—	—	50,352	—	50,352	
Individual non-performing to substandard	—	—	35,309	—	(245,800)	—	(210,491)	—	(210,491)	
Individual non-performing to regular	—	1,278	—	—	(372)	—	906	—	906	
Group regular to non-performing	(15,303,530)	—	—	35,152,698	—	19,849,168	—	—	19,849,168	
Group non-performing to regular	1,539,001	—	—	(10,219,956)	—	(8,680,955)	—	—	(8,680,955)	
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	—	—	—	—	—	—	—	—	—	
Group (regular, non-performing) to Individual (regular, substandard, non-performing)	(2,274,838)	2,829,096	415,063	(226,089)	167,951	(2,500,927)	3,412,110	—	911,183	
New loans originated	26,589,644	201,649,894	8,222,393	13,377,272	22,173,884	39,966,916	232,046,171	—	272,013,087	
New loans for conversion from contingent to loans	358,750	501,996	133,295	31,928	31,166	390,678	666,457	—	1,057,135	
New loans acquired	—	—	—	—	—	—	—	—	—	
Sale or transfer of loans	—	—	—	—	(1,630,643)	—	(1,630,643)	—	(1,630,643)	
Loan repayment	(18,833,076)	(171,431,515)	(7,238,643)	(24,909,831)	(48,900,707)	(43,742,907)	(227,570,865)	—	(271,313,772)	
Application of provisions for write-offs	(5,442)	—	—	(26,005,753)	(18,010,287)	(26,011,195)	(18,010,287)	—	(44,021,482)	
Recovery of written-off loans	224,435	—	—	—	—	224,435	—	—	224,435	
Changes in models and methods	—	—	—	—	—	—	—	—	—	
Exchange differences	(6,830)	(122,610)	(135,663)	(103,855)	565,996	(110,685)	307,723	—	197,038	
Other changes in provisions	—	—	—	—	—	—	—	(15,790,433)	(15,790,433)	
Closing balance as of December 31, 2022	42,021,537	152,465,891	20,796,353	90,237,053	75,935,289	132,258,590	249,197,533	32,743,404	414,199,527	

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

	Movement in provisions by portfolio during the period								FOGAPE COVID-19 Guarantee Deductible ThCh\$	Total ThCh\$
	Normal Portfolio Assessment		Substandard Portfolio ThCh\$	Default Portfolio Assessment		Subtotal				
	Group ThCh\$	Individual ThCh\$		Group ThCh\$	Individual ThCh\$	Group ThCh\$	Individual ThCh\$			
Commercial loans										
Closing balance as of January 1, 2021	62,255,795	143,911,863	6,579,169	95,228,768	90,731,141	157,484,563	241,222,173	24,109,395	422,816,131	
Creation / release of provisions for:										
Change in measurement without portfolio reclassification during the period:	25,394,872	11,827,895	892,855	17,307,862	4,056,623	42,702,734	16,777,373	—	59,480,107	
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:										
Individual regular to substandard	—	(642,951)	1,034,468	—	—	—	391,517	—	391,517	
Individual regular to non-performing	—	(90,797)	—	—	901,211	—	810,414	—	810,414	
Individual substandard to non-performing	—	—	(564,236)	—	1,149,909	—	585,673	—	585,673	
Individual substandard to regular	—	69,452	(135,209)	—	—	—	(65,757)	—	(65,757)	
Individual non-performing to substandard	—	—	8,229	—	(83,352)	—	(75,123)	—	(75,123)	
Individual non-performing to regular	—	5,226	—	—	(24,624)	—	(19,398)	—	(19,398)	
Group regular to non-performing	(7,393,058)	—	—	16,377,725	—	8,984,667	—	—	8,984,667	
Group non-performing to regular	3,044,682	—	—	(10,018,796)	—	(6,974,114)	—	—	(6,974,114)	
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	140,578	(259,054)	(39,314)	118,560	(41,930)	259,138	(340,298)	—	(81,160)	
Group (regular, non-performing) to Individual (regular, substandard, non-performing)	(1,811,275)	1,689,268	135,412	(1,313,415)	662,430	(3,124,690)	2,487,110	—	(637,580)	
New loans originated	20,089,743	91,335,388	1,790,158	27,971,443	12,934,614	48,061,186	106,060,160	20,603,226	174,724,572	
New loans for conversion from contingent to loans	5,111,094	3,423,164	220,542	324,238	187,086	5,435,332	3,830,792	—	9,266,124	
New loans acquired	—	—	—	—	—	—	—	—	—	
Sale or transfer of loans	—	—	—	—	(14,456,723)	—	(14,456,723)	—	(14,456,723)	
Loan repayment	(48,635,531)	(111,446,782)	(4,254,798)	(26,926,145)	(16,113,099)	(75,561,676)	(131,814,679)	(270,441)	(207,646,796)	
Application of provisions for write-offs	(18,173)	(3,923)	(92)	(28,760,994)	(6,104,177)	(28,779,167)	(6,108,192)	—	(34,887,359)	
Recovery of written-off loans	57,065	—	—	—	—	57,065	—	—	57,065	
Changes in models and methods	—	—	—	—	—	—	—	—	—	
Exchange differences	64,136	1,224,247	39,510	107,856	1,287,792	171,992	2,551,549	—	2,723,541	
Other changes in provisions	—	—	—	—	—	—	—	476,788	476,788	
Closing balance as of September 30, 2021	58,299,928	141,042,996	5,706,694	90,417,102	75,086,901	148,717,030	221,836,591	44,918,968	415,472,589	
Closing balance as of December 31, 2021	52,510,751	148,706,836	6,120,443	87,339,437	73,677,019	139,850,188	228,504,298	48,533,837	416,888,323	

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

Summary of the movement in mortgage loan provisions for the credit risk portfolio during the period:

	Movement in provisions by portfolio during the period		
	Group Assessment		
	Normal Portfolio ThCh\$	Default Portfolio ThCh\$	Total ThCh\$
Mortgage loans			
Closing balance as of January 1, 2022	9,512,841	21,217,662	30,730,503
Creation / release of provisions for:			
Change in measurement without portfolio reclassification during the period:	6,227,502	1,558,896	7,786,398
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:	—	—	—
Group regular to non-performing	(2,536,589)	6,435,151	3,898,562
Group non-performing to regular	1,773,470	(10,431,300)	(8,657,830)
New loans originated	1,333,645	279,665	1,613,310
New loans acquired	—	—	—
Sale or transfer of loans	—	—	—
Loan repayment	(1,156,957)	(3,239,797)	(4,396,754)
Application of provisions for write-offs	—	(1,671,619)	(1,671,619)
Recovery of written-off loans	—	—	—
Changes in models and methods	—	—	—
Exchange differences	—	—	—
Other changes in provisions	—	—	—
Closing balance as of December 31, 2022	<u>15,153,912</u>	<u>14,148,658</u>	<u>29,302,570</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

	Movement in provisions by portfolio during the period		
	Group Assessment		
	Normal Portfolio ThCh\$	Default Portfolio ThCh\$	Total ThCh\$
Mortgage loans			
Closing balance as of January 1, 2021	13,599,509	20,164,280	33,763,789
Creation / release of provisions for:			
Change in measurement without portfolio reclassification during the period:	10,937,928	5,136,012	16,073,940
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:			
Group regular to non-performing	(1,434,614)	2,346,748	912,134
Group non-performing to regular	801,103	(2,487,053)	(1,685,950)
New loans originated	1,246,203	409,736	1,655,939
New loans acquired	—	—	—
Sale or transfer of loans	—	—	—
Loan repayment	(9,518,772)	(7,867,859)	(17,386,631)
Application of provisions for write-offs	(22)	(1,070,560)	(1,070,582)
Recovery of written-off loans	—	—	—
Changes in models and methods	—	—	—
Exchange differences	—	—	—
Other changes in provisions	—	—	—
Closing balance as of September 30, 2021	<u>15,631,335</u>	<u>16,631,304</u>	<u>32,262,639</u>
Closing balance as of December 31, 2021	<u>9,512,841</u>	<u>21,217,662</u>	<u>30,730,503</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

Summary of the movement in consumer loan provisions for credit risk portfolio during the period:

	Movement in provisions by portfolio during the period		
	Group Assessment		
Consumer loans	Normal Portfolio ThCh\$	Default Portfolio ThCh\$	Total ThCh\$
Closing balance as of January 1, 2022	142,633,577	127,996,472	270,630,049
Recording / (use) of provisions for:			
Change in measurement without portfolio reclassification during the period:	83,308,237	109,783,260	193,091,497
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:			
Group regular to non-performing	(84,106,559)	116,954,288	32,847,729
Group non-performing to regular	7,922,820	(36,692,745)	(28,769,925)
New loans originated	99,204,558	45,329,444	144,534,002
New loans for conversion from contingent to loans	3,698,894	528,170	4,227,064
New loans acquired	—	—	—
Sale or transfer of loans	—	—	—
Loan repayment	(58,446,057)	(121,645,394)	(180,091,451)
Application of provisions for write-offs	(7,219)	(107,604,509)	(107,611,728)
Recovery of written-off loans	6,048,350	—	6,048,350
Changes in models and methods	—	—	—
Exchange differences	(212,655)	196,105	(16,550)
Other changes in provisions	—	—	—
Closing balance as of December 31, 2022	200,043,946	134,845,091	334,889,037

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

	Movement in provisions by portfolio during the period		
	Group Assessment		
Consumer loans	Normal Portfolio ThCh\$	Default Portfolio ThCh\$	Total ThCh\$
Closing balance as of January 1, 2021	145,683,437	144,168,146	289,851,583
Recording / (use) of provisions for:			
Change in measurement without portfolio reclassification during the period:	19,271,838	88,608,791	107,880,629
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:			
Group regular to non-performing	(26,663,773)	50,585,219	23,921,446
Group non-performing to regular	7,807,410	(20,540,494)	(12,733,084)
New loans originated	32,355,990	21,886,267	54,242,257
New loans for conversion from contingent to loans	31,764,020	3,862,046	35,626,066
New loans acquired	—	—	—
Sale or transfer of loans	—	—	—
Loan repayment	(87,431,601)	(107,654,861)	(195,086,462)
Application of provisions for write-offs	(100,543)	(78,450,912)	(78,551,455)
Recovery of written-off loans	—	—	—
Changes in models and methods	—	—	—
Exchange differences	1,182,179	106,185	1,288,364
Other changes in provisions (if applicable)	—	—	—
Closing balance as of September 30, 2021	123,868,957	102,570,387	226,439,344
Closing balance as of December 31, 2021	142,633,577	127,996,472	270,630,049

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

Summary of the movement in contingent credit risk provisions by the credit risk portfolio during the period:

	Movement in provisions by portfolio during the period							
	Normal Portfolio Assessment		Substandard Portfolio	Default Portfolio Assessment		Subtotal		Total
	Group	Individual		Group	Individual	Group	Individual	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Contingent loan exposure								
Closing balance as of January 1, 2022	4,370,752	34,784,437	4,298,023	9,252,664	1,280,183	13,623,416	40,362,643	53,986,059
Recording / (use) of provisions for:								
Change in measurement without portfolio reclassification during the period:	6,225,822	1,554,793	(784,286)	(2,134)	(10,507)	6,223,688	760,000	6,983,688
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:								
Individual regular to substandard	—	(2,225,695)	7,201,245	—	—	—	4,975,550	4,975,550
Individual regular to non-performing	—	(96,803)	—	—	1,419,129	—	1,322,326	1,322,326
Individual substandard to non-performing	—	—	(497,178)	—	5,920,195	—	5,423,017	5,423,017
Individual substandard to regular	—	44,638	(59,229)	—	—	—	(14,591)	(14,591)
Individual non-performing to substandard	—	—	546	—	(17,339)	—	(16,793)	(16,793)
Individual non-performing to regular	—	724	—	—	(37,086)	—	(36,362)	(36,362)
Group regular to non-performing	(135,677)	—	—	1,790,359	—	1,654,682	—	1,654,682
Group non-performing to regular	78,906	—	—	(5,696,626)	—	(5,617,720)	—	(5,617,720)
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	—	—	—	—	—	—	—	—
Group regular, non-performing) to Individual (regular, substandard, non-performing)	(90,627)	130,257	80,644	(5,869)	2,435	(96,496)	213,336	116,840
New contingent loans	2,275,957	33,913,389	8,769,364	1,459,309	157,786	3,735,266	42,840,539	46,575,805
Contingent loans for conversion to placements	(1,172,185)	(386,407)	(56,611)	(11,549)	(12,033)	(1,183,734)	(455,051)	(1,638,785)
Changes in models and methods	—	—	—	—	—	—	—	—
Exchange differences	3,836	(273,752)	(11,330)	33,010	(1,608)	36,846	(286,690)	(249,844)
Other changes in provisions	(6,898,427)	(35,728,654)	(8,016,620)	(760,279)	(4,682,968)	(7,658,706)	(48,428,242)	(56,086,948)
Closing balance as of December 31, 2022	4,658,357	31,716,927	10,924,568	6,058,885	4,018,187	10,717,242	46,659,682	57,376,924

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(f) Provisions (continued)

	Movement in provisions by portfolio during the period							
	Normal Portfolio Assessment		Substandard Portfolio ThCh\$	Default Portfolio Assessment		Subtotal		Total ThCh\$
	Group ThCh\$	Individual ThCh\$		Group ThCh\$	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	
Contingent loan exposure								
Closing balance as of January 1, 2021	25,257,145	35,157,095	760,921	9,111,945	5,903,403	34,369,090	41,821,419	76,190,509
Recording / (use) of provisions for:								
Change in measurement without portfolio reclassification during the period:	1,259,892	(7,195,186)	(124,124)	(534,657)	31,648	725,235	(7,287,662)	(6,562,427)
Change in measurement with portfolio reclassification during the period [portfolio from (-) to (+)]:								
Individual regular to substandard	—	(440,803)	940,934	—	—	—	500,131	500,131
Individual regular to non-performing	—	(10,813)	—	—	116,651	—	105,838	105,838
Individual substandard to non-performing	—	—	(73,937)	—	315,192	—	241,255	241,255
Individual substandard to regular	—	55,573	(88,822)	—	—	—	(33,249)	(33,249)
Individual non-performing to substandard	—	—	3,020,559	—	(4,638,106)	—	(1,617,547)	(1,617,547)
Individual non-performing to regular	—	8,105	—	—	(3,622)	—	4,483	4,483
Group regular to non-performing	(445,124)	—	—	1,741,321	—	1,296,197	—	1,296,197
Group non-performing to regular	105,859	—	—	(2,283,480)	—	(2,177,621)	—	(2,177,621)
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	708,719	(35,049)	—	54,844	(7,335)	763,563	(42,384)	721,179
Group (regular, non-performing) to Individual (regular, substandard, non-performing)	(375,345)	231,356	12,225	(53)	8,068	(375,398)	251,649	(123,749)
New contingent loans	6,367,660	36,815,151	344,793	1,401,731	1,029,331	7,769,391	38,189,275	45,958,666
Contingent loans for conversion to placements	(1,400,465)	(164,715)	(253,457)	(319,888)	92,190	(1,720,353)	(325,982)	(2,046,335)
Changes in models and methods	(12,907,369)	—	—	431,893	—	(12,475,476)	—	(12,475,476)
Exchange differences	12,231	970,292	129,750	324,371	604,294	336,602	1,704,336	2,040,938
Other changes in provisions	(14,212,451)	(30,606,569)	(370,819)	(675,363)	(2,171,531)	(14,887,814)	(33,148,919)	(48,036,733)
Closing balance as of December 31, 2021	4,370,752	34,784,437	4,298,023	9,252,664	1,280,183	13,623,416	40,362,643	53,986,059

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

Apart from these provisions for loan losses, country-risk provisions are also made to cover foreign transactions as well as additional provisions agreed by the Board, which are shown in liabilities in Special provisions for credit risk (Note 40.24).

Complementary disclosures:

As of December 31, 2022, commercial loans include transactions that guarantee obligations with the Chilean Central Bank under the Credit Facility Conditional on Increased Lending (FCIC) program of approximately ThCh\$3,297,016,000 (ThCh\$3,024,118,000 as of December 31, 2021).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(g) Economic code

As of December 31, 2022 and 2021, the economic codes for loans, to contingent loans exposure and provisions are as follows:

	Loans and contingent credit exposure						Provisions created					
	Loans				Total	Total	Loans				Total	Total
	in Chile		in foreign countries				in Chile		in foreign countries			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Loans and advances to banks	1,801,100,000	1,250,017,778	373,692,370	279,813,390	2,174,792,370	1,529,831,168	—	(57,606)	(677,791)	(460,682)	(677,791)	(518,288)
Commercial loans												
Agriculture and livestock	797,020,321	811,014,017	—	—	797,020,321	811,014,017	(15,876,393)	(18,772,392)	—	—	(15,876,393)	(18,772,392)
Fruit	663,000,049	636,014,811	—	—	663,000,049	636,014,811	(13,979,704)	(12,678,301)	—	—	(13,979,704)	(12,678,301)
Forestry	102,426,710	315,375,390	—	—	102,426,710	315,375,390	(2,515,130)	(2,547,707)	—	—	(2,515,130)	(2,547,707)
Fishing	30,492,055	33,983,955	—	—	30,492,055	33,983,955	(2,966,107)	(3,365,449)	—	—	(2,966,107)	(3,365,449)
Mining	314,851,003	162,823,116	—	—	314,851,003	162,823,116	(2,124,280)	(2,511,507)	—	—	(2,124,280)	(2,511,507)
Oil and natural gas	1,010,854	782,548	—	—	1,010,854	782,548	(18,864)	(22,431)	—	—	(18,864)	(22,431)
Product manufacturing industry:												
Food, beverages and tobacco	594,582,648	505,170,976	—	—	594,582,648	505,170,976	(16,314,972)	(12,648,190)	—	—	(16,314,972)	(12,648,190)
Textile, leather and footwear	33,129,823	33,861,863	—	—	33,129,823	33,861,863	(839,026)	(1,192,095)	—	—	(839,026)	(1,192,095)
Timber and furniture	105,502,456	152,547,827	—	—	105,502,456	152,547,827	(2,532,299)	(2,780,273)	—	—	(2,532,299)	(2,780,273)
Pulp, paper and printing	20,848,832	22,820,076	—	—	20,848,832	22,820,076	(961,887)	(1,285,098)	—	—	(961,887)	(1,285,098)
Chemicals and petroleum derivatives	365,184,929	388,778,282	—	—	365,184,929	388,778,282	(6,568,058)	(5,894,395)	—	—	(6,568,058)	(5,894,395)
Metallic, non-metallic, machinery and other	574,023,505	498,519,822	—	—	574,023,505	498,519,822	(11,096,736)	(11,534,684)	—	—	(11,096,736)	(11,534,684)
Electricity, gas and water	463,529,381	464,080,015	—	—	463,529,381	464,080,015	(4,879,774)	(4,200,816)	—	—	(4,879,774)	(4,200,816)
Residential construction	270,049,123	260,234,250	—	—	270,049,123	260,234,250	(11,518,213)	(10,182,012)	—	—	(11,518,213)	(10,182,012)
Non-residential construction (office, public works)	355,452,519	540,999,071	—	—	355,452,519	540,999,071	(9,937,797)	(6,819,687)	—	—	(9,937,797)	(6,819,687)
Wholesale trade	2,034,519,593	1,760,312,725	—	—	2,034,519,593	1,760,312,725	(58,704,630)	(59,807,754)	—	—	(58,704,630)	(59,807,754)
Retail, restaurants and hotels	1,039,470,574	1,131,522,887	6,751,708	7,793,035	1,046,222,282	1,139,315,922	(47,643,667)	(46,176,673)	(622,259)	(640,800)	(48,190,502)	(46,817,473)
Transportation and storage	1,208,622,060	1,047,079,571	—	—	1,208,622,060	1,047,079,571	(22,653,854)	(31,082,526)	—	—	(22,653,854)	(31,082,526)
Telecommunications	232,693,682	290,936,208	—	—	232,693,682	290,936,208	(3,439,090)	(3,461,911)	—	—	(3,439,090)	(3,461,911)
Financial services	2,990,383,258	3,043,255,475	—	1,722,507	2,990,383,258	3,044,977,982	(30,131,716)	(41,132,053)	—	(30,144)	(30,131,716)	(41,162,197)
Corporate services	1,998,911,048	1,775,688,507	—	—	1,998,911,048	1,775,688,507	(58,868,452)	(44,738,379)	—	—	(58,868,452)	(44,738,379)
Real estate services	3,338,119,319	3,034,749,800	22,792,494	4,201,958	3,360,911,813	3,038,951,758	(26,398,570)	(26,637,344)	(151,860)	(179,634)	(27,372,949)	(26,816,978)
Student loans	59,593,764	57,947,179	—	—	59,593,764	57,947,179	(4,555,231)	(4,308,296)	—	—	(4,555,231)	(4,308,296)
Public administration, defense and police	26,135,893	33,803,490	—	—	26,135,893	33,803,490	(453,289)	(489,908)	—	—	(453,289)	(489,908)
Social and other community services	832,236,058	770,528,974	—	—	832,236,058	770,528,974	(16,608,060)	(17,274,536)	—	—	(16,608,060)	(17,274,536)
Personal services	1,804,376,360	1,715,986,024	—	—	1,804,376,360	1,715,986,024	(41,092,514)	(44,493,328)	—	—	(41,092,514)	(44,493,328)
Subtotal	20,256,165,817	19,488,816,859	29,544,202	13,717,500	20,285,710,019	19,502,534,359	(412,678,313)	(416,037,745)	(774,119)	(850,578)	(414,199,527)	(416,888,323)
Mortgage loans	11,416,154,333	10,346,650,483	—	—	11,416,154,333	10,346,650,483	(29,302,570)	(30,730,503)	—	—	(29,302,570)	(30,730,503)
Consumer loans	4,992,939,639	4,248,710,042	—	—	4,992,939,639	4,248,710,042	(334,889,037)	(270,630,049)	—	—	(334,889,037)	(270,630,049)
Contingent loan exposure	12,890,794,715	11,986,791,159	—	—	12,890,794,715	11,986,791,159	(57,376,924)	(53,986,059)	—	—	(57,376,924)	(53,986,059)

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(h) Residential mortgage loans and its provisions established by insolvent tranche of the loan on the value of the mortgage guarantee (LTV) and days of default, respectively:

As of December 31, 2022

Range Loan / Guarantee Value (%)	Residential Mortgage loans (Ch\$ million)						Provisions established for Residential Mortgage loans (Ch\$ million)					
	Days past due at period end						Days past due at period end					
	0	1 to 29	30 to 59	60 to 89	Over 90	Total	0	1 to 29	30 to 59	60 to 89	Over 90	Total
LTV <= 40%	1,502,626	17,899	7,901	3,159	9,253	1,540,838	(1,187)	(246)	(224)	(119)	(506)	(2,282)
40% < LTV ≤ 80%	8,562,729	143,340	54,539	24,873	71,357	8,856,838	(9,857)	(2,689)	(1,815)	(1,028)	(4,271)	(19,660)
80% < LTV ≤ 90%	634,977	10,144	5,605	2,493	4,185	657,404	(2,291)	(429)	(423)	(302)	(788)	(4,233)
LTV > 90%	354,689	1,711	545	152	3,977	361,074	(2,053)	(108)	(35)	(30)	(902)	(3,128)
Total	11,055,021	173,094	68,590	30,677	88,772	11,416,154	(15,388)	(3,472)	(2,497)	(1,479)	(6,467)	(29,303)

As of December 31, 2021

Range Loan / Guarantee Value (%)	Mortgage loans (Ch\$ million)						Provisions created for Mortgage loans (Ch\$ million)					
	Days past due at period end						Days past due at period end					
	0	1 to 29	30 to 59	60 to 89	Over 90	Total	0	1 to 29	30 to 59	60 to 89	Over 90	Total
LTV <= 40%	1,253,223,689	12,078,809	4,213,774	2,273,569	6,063,126	1,277,852,967	(1,211,755)	(233,163)	(119,922)	(76,446)	(331,394)	(1,972,680)
40% < LTV ≤ 80%	7,413,470,377	93,651,215	29,635,524	15,131,902	47,029,810	7,598,918,828	(11,538,658)	(2,236,507)	(1,107,276)	(703,861)	(2,846,720)	(18,433,022)
80% < LTV ≤ 90%	712,432,842	5,414,862	1,363,273	1,445,686	10,884,351	731,541,014	(2,214,688)	(266,596)	(115,798)	(149,156)	(2,336,369)	(5,082,607)
LTV > 90%	728,403,428	1,895,160	474,211	243,424	7,321,451	738,337,674	(3,323,069)	(94,173)	(46,773)	(26,058)	(1,752,121)	(5,242,194)
Total	10,107,530,336	113,040,046	35,686,782	19,094,581	71,298,738	10,346,650,483	(18,288,170)	(2,830,439)	(1,389,769)	(955,521)	(7,266,604)	(30,730,503)

Notes to the Consolidated Financial Statements

(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(i) Due from banks, commercial loans and provisions by classification

The concentration of debt by banks and commercial loans and their provisions by classification is as follows:

As of December 31, 2022	Individual																			Group			FOGAPE COVID-19 Guarantees deductible provisions					
	Normal Portfolio						Substandard Portfolio				Default Portfolio						Total	Normal Portfolio ThCh\$	Default Portfolio ThCh\$	Total	Total							
	A1 ThCh\$	A2 ThCh\$	A3 ThCh\$	A4 ThCh\$	A5 ThCh\$	A6 ThCh\$	Subtotal ThCh\$	B1 ThCh\$	B2 ThCh\$	B3 ThCh\$	B4 ThCh\$	Subtotal ThCh\$	C1 ThCh\$	C2 ThCh\$	C3 ThCh\$	C4 ThCh\$						C5 ThCh\$		C6 ThCh\$	Subtotal ThCh\$	ThCh\$		
Loans and advances to banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interbank liquidity loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interbank commercial loans	—	—	186,660,058	—	—	—	186,660,058	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	186,660,058
Overdrafts in checking accounts	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean exports	78,345	149,694,516	32,529,570	4,250,979	—	—	186,553,410	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	186,553,410
Foreign trade loans - Chilean imports	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Foreign trade loans between third party countries	—	478,902	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	478,902
Non-transferable deposits from banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other receivables from banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	78,345	150,173,418	219,189,628	4,250,979	—	—	373,692,370	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	373,692,370	—	—	373,692,370
New provisions	28	123,893	479,478	74,392	—	—	677,791	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	677,791	—	—	677,791
% provisions created	0.04%	0.08%	0.22%	1.75%	—	—	0.18%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.18%	—	—	0.18%
Commercial loans	—	1,326,654,671	2,066,762,552	2,372,591,267	3,522,434,015	1,979,393,227	11,267,835,732	125,517,419	43,693,104	46,475,807	11,474,756	227,161,086	40,585,565	21,608,300	24,174,534	28,603,966	11,856,692	35,360,641	162,189,698	11,657,186,516	3,946,953,972	267,427,969	4,214,381,941	15,871,568,457	31,986,177			
Foreign trade loans - Chilean exports	—	297,323,150	142,623,944	123,281,157	224,505,407	153,744,796	941,478,454	3,914,969	—	650,344	—	4,565,313	447,940	9,375	2,262,858	1,286,078	351,470	1,622,751	5,980,472	952,024,239	3,856,700	532,672	4,389,372	956,413,611	—			
Foreign trade loans - traded on Chilean import terms	—	—	—	2,620,784	94,043	2,714,827	—	—	—	—	—	—	—	—	—	—	—	—	—	2,714,827	—	—	—	2,714,827	—			
Foreign trade loans - Chilean imports	—	95,893,933	88,439,859	159,031,184	150,347,916	145,251,141	638,964,033	9,601,809	124,360	—	9,726,169	621,460	435,481	—	128,308	187,756	2,593,689	3,966,694	652,656,896	43,914,726	1,842,983	45,757,709	698,414,605	—				
Checking account debtors	—	88,694	17,732,955	29,339,380	13,264,178	18,429,403	78,854,590	2,396,296	2,438,276	269,169	156,073	5,259,814	316,046	1,595,216	114,091	162,539	104,717	379,988	2,672,597	86,787,001	87,728,390	1,143,587	88,871,977	175,658,978	—			
Credit card debtors	25,722	314,003	1,676,784	2,778,009	6,456,465	6,984,056	18,235,039	509,063	287,922	24,361	53,910	875,256	101,486	15,144	58,844	69,132	147,570	257,258	649,434	19,759,729	61,910,597	5,153,215	67,063,812	86,823,541	—			
Factoring transactions	9,352,307	129,798,082	117,953,618	124,105,294	88,513,835	119,959,075	589,682,211	4,248,460	6,417	—	—	4,254,877	—	7,206	—	11,004	185,393	250,509	454,112	594,391,200	34,074,143	52,664	34,126,807	628,518,007	—			
Commercial financial leasing transactions	—	60,748,504	49,667,565	362,068,013	442,247,254	500,286,853	1,415,018,189	19,754,468	5,304,604	9,602,344	388,725	35,050,141	1,249,274	25,829,095	1,484,760	2,297,917	468,198	62,386	31,391,630	1,481,459,960	290,771,629	9,162,009	299,933,638	1,781,393,598	757,227			
Student loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other loans and receivables	4	377,407	1,265,129	1,160,669	2,052,759	1,695,373	6,551,341	72,594	149,311	6,291	95,459	323,555	179,007	79,808	83,809	2,475,459	628,775	3,910,504	7,357,363	14,232,258	9,088,480	1,289,893	10,378,373	24,610,631	—			
Subtotal	9,378,033	1,911,198,444	2,486,122,386	3,174,354,973	4,452,442,613	2,925,837,967	14,959,334,416	166,015,078	52,003,994	57,028,316	12,168,823	287,216,211	43,500,778	49,579,625	28,178,896	35,034,403	13,920,571	44,437,726	214,661,999	15,461,212,626	4,534,840,824	289,656,569	4,824,497,393	20,285,710,019	—			
New provisions	3,376	1,391,269	4,031,147	28,378,981	44,646,984	74,014,134	152,463,391	3,758,350	4,221,762	10,827,374	1,988,867	20,796,353	870,016	4,957,962	7,044,724	14,013,761	9,054,871	39,993,955	75,935,289	249,197,533	42,021,537	90,237,053	132,258,590	381,456,123	32,743,404			
% provisions created	0.04%	0.07%	0.16%	0.89%	1.00%	2.53%	1.02%	2.26%	8.12%	18.99%	16.34%	7.24%	2.00%	10.00%	25.00%	40.00%	65.00%	90.00%	35.37%	249,197,533	0.93%	31.15%	2.74%	381,456,123	1.88%			

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(i) Due from banks, commercial loans and provisions by classification (continued)

As of December 31, 2021	Individual																		Group			Total	FOGAPE COVID-19 Guarantees deductible provisions TbChS		
	Normal Portfolio						Substandard Portfolio						Default Portfolio						Total	Normal	Default			Total	
	A1 TbChS	A2 TbChS	A3 TbChS	A4 TbChS	A5 TbChS	A6 TbChS	Subtotal TbChS	B1 TbChS	B2 TbChS	B3 TbChS	B4 TbChS	Subtotal TbChS	C1 TbChS	C2 TbChS	C3 TbChS	C4 TbChS	C5 TbChS	C6 TbChS	Subtotal TbChS	TbChS	Portfolio TbChS	Portfolio TbChS	TbChS	TbChS	
Loans and advances to banks																									
Interbank liquidity loans	160,017,778	—	—	—	—	—	160,017,778	—	—	—	—	—	—	—	—	—	—	—	—	—	160,017,778	—	—	—	160,017,778
Interbank commercial loans	—	—	158,307,730	—	—	—	158,307,730	—	—	—	—	—	—	—	—	—	—	—	—	—	158,307,730	—	—	—	158,307,730
Overdrafts in checking accounts	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Foreign trade loans - Chilean imports	770,640	109,594,966	10,642,263	—	—	—	121,007,869	—	—	—	—	—	—	—	—	—	—	—	—	—	121,007,869	—	—	—	121,007,869
Foreign trade loans - Chilean exports	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Foreign trade loans between third party countries	—	497,792	—	—	—	—	497,792	—	—	—	—	—	—	—	—	—	—	—	—	—	497,792	—	—	—	497,792
Non-transferable deposits from banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other receivables from banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	160,788,418	110,092,758	168,949,993	—	—	—	439,831,169	—	—	—	—	—	—	—	—	—	—	—	—	—	439,831,169	—	—	—	439,831,169
New provisions	57,883	90,827	369,578	—	—	—	518,288	—	—	—	—	—	—	—	—	—	—	—	—	—	518,288	—	—	—	518,288
% provisions created	0.04%	0.08%	0.22%	—	—	—	0.12%	—	—	—	—	—	—	—	—	—	—	—	—	—	0.12%	—	—	—	0.12%
Commercial loans																									
Commercial loans	—	1,060,723,487	2,549,326,580	2,359,408,214	3,374,839,318	1,884,446,528	11,228,744,127	100,251,631	24,527,549	9,948,758	5,405,833	140,133,771	30,418,577	11,561,984	14,239,397	9,459,315	35,335,204	25,735,250	126,749,727	11,495,627,625	4,230,007,426	252,100,384	4,482,107,810	15,977,735,435	47,195,660
Foreign trade loans - Chilean imports	—	154,895,981	105,805,504	104,616,732	200,160,956	130,992,192	696,471,365	3,991,349	—	—	—	3,991,349	1,779,179	233,876	2,055,843	1,237,138	4,777,142	1,806,704	11,889,882	712,352,596	5,621,984	1,035,998	6,657,082	719,009,678	—
Foreign trade loans - Chilean exports	—	11,783,645	103,768,673	80,475,766	156,175,150	142,502,345	494,705,579	1,938,015	1,326,073	—	—	3,264,088	1,684,491	—	—	85,013	169,544	1,811,236	3,750,284	501,719,951	45,838,532	1,728,208	47,566,740	549,286,691	—
Foreign trade loans between third party countries	—	—	—	—	2,902,463	47,075	2,949,538	—	—	—	—	—	—	—	—	—	—	—	—	2,949,538	—	—	—	—	2,949,538
Checking account debtors	—	2,941,970	24,468,776	17,597,996	8,463,582	15,827,679	69,300,003	1,290,618	444,488	1,706,511	79,459	3,521,076	284,966	25,410	48,305	21,559	71,300	380,774	832,314	73,653,393	69,300,620	1,055,854	70,356,474	144,009,867	
Credit card debtors	17,631	330,462	1,077,390	2,106,353	4,485,953	4,425,164	12,442,953	288,101	121,156	44,906	498,330	53,594	6,984	31,705	52,252	67,137	204,935	416,607	13,357,890	45,971,898	3,261,649	49,233,547	62,591,437	—	
Factoring transactions	6,586,486	94,770,798	80,973,221	83,095,700	99,865,184	81,264,299	446,555,688	2,347,024	12,623	564,317	—	2,923,964	81,698	—	—	—	129,732	199,453	410,883	449,890,535	36,272,158	93,061	36,365,219	486,255,754	—
Commercial financial leasing transactions	—	61,693,934	35,052,758	310,202,870	407,439,623	461,416,993	1,275,806,178	13,266,113	2,722,863	25,171,094	2,013,604	43,173,674	1,292,079	4,169,420	1,888,231	1,748,114	393,408	632,248	10,123,500	1,329,103,352	275,147,475	7,812,301	282,959,776	1,612,063,128	1,338,177
Student loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	55,345,615	2,601,564	57,947,179	57,947,179	—
Other loans and receivables	115	346,597	1,247,878	971,685	1,619,585	1,383,202	5,569,062	37,145	18,179	79,857	24,302	159,483	405,673	1,157	20,829	11,083	323,527	8,025,752	8,788,021	14,316,566	6,808,624	1,582,322	8,390,946	22,907,512	
Subtotal	6,604,232	1,387,486,874	2,901,720,780	2,958,475,316	4,255,951,814	2,722,305,477	14,232,544,493	123,409,996	29,172,931	37,514,704	7,568,104	197,665,735	36,000,257	15,998,831	18,284,310	12,614,474	41,266,994	38,796,352	162,961,218	14,593,171,446	4,770,314,332	271,270,441	5,041,584,773	19,634,756,219	—
New provisions	2,580	1,026,616	4,929,335	26,263,902	47,212,381	69,272,222	148,706,836	2,710,944	1,057,334	611,192	1,740,973	6,120,443	720,004	1,599,883	4,571,077	5,045,790	26,823,547	34,916,718	73,677,019	228,504,298	52,510,751	87,339,437	139,850,188	368,354,486	48,533,837
% provisions created	0.04%	0.07%	0.17%	0.89%	1.1%	2.54%	1.04%	2.20%	3.62%	1.63%	23.00%	3.10%	2.00%	10.00%	25.00%	40.00%	65.00%	90.00%	45.21%	1.57%	1.10%	32.20%	2.77%	1.88%	

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(j) Loans and provisions by range of days past-due

The concentration of loan loss exposure by days past due is as follows:

	Financial Assets Before Provisions						Provisions Recorded						FOGAPE COVID-19	Net financial asset ThCh\$	
	Normal Portfolio Assessment		Sub-standard Portfolio Assessment		Default Portfolio Assessment		Normal Portfolio Assessment		Sub-standard Portfolio Assessment		Default Portfolio Assessment				
	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$	Total ThCh\$	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$	Sub Total ThCh\$			guarantee deductible ThCh\$
As of December 31, 2022															
Loans and advances to banks															
0 days	271,125,186	—	—	—	—	271,125,186	(549,188)	—	—	—	—	(549,188)	—	(549,188)	
1 to 29 days	102,567,184	—	—	—	—	102,567,184	(128,603)	—	—	—	—	(128,603)	—	(128,603)	
30 to 59 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
60 to 89 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Over 90 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Subtotal	373,692,370	—	—	—	—	373,692,370	(677,791)	—	—	—	—	(677,791)	—	(677,791)	373,014,579
Commercial loans															
0 days	14,680,559,003	4,390,886,717	244,262,623	90,196,180	77,667,841	19,483,572,364	(150,563,923)	(34,657,786)	(18,648,760)	(24,619,808)	(20,624,248)	(249,114,525)	(31,595,178)	(280,709,703)	
1 to 29 days	120,379,814	99,475,519	22,410,392	29,695,643	24,007,668	295,969,036	(1,672,286)	(3,877,670)	(1,344,863)	(6,236,000)	(5,980,430)	(19,111,249)	(545,201)	(19,656,450)	
30 to 59 days	7,559,838	34,552,018	17,302,443	14,374,841	22,224,725	96,013,865	(173,880)	(2,312,498)	(740,588)	(5,170,956)	(5,635,751)	(14,033,673)	(193,112)	(14,226,785)	
60 to 89 days	740,170	9,926,570	3,240,753	7,906,976	14,885,659	36,700,128	(55,802)	(1,173,583)	(62,142)	(3,675,670)	(4,049,446)	(9,016,643)	(80,783)	(9,097,426)	
Over 90 days	—	—	—	72,488,359	150,870,676	223,359,035	—	—	—	(36,232,855)	(53,947,178)	(90,180,033)	(329,130)	(90,509,163)	
Subtotal	14,809,238,825	4,534,840,824	287,216,211	214,661,999	289,656,569	20,135,614,428	(152,465,891)	(42,021,537)	(20,796,353)	(75,935,289)	(90,237,053)	(381,456,123)	(32,743,404)	(414,199,527)	19,721,414,901
Mortgage loans															
0 days	—	11,002,439,936	—	—	52,580,942	11,055,020,878	—	(11,363,112)	—	—	(4,022,364)	(15,385,476)	—	(15,385,476)	
1 to 29 days	—	149,651,942	—	—	23,441,982	173,093,924	—	(1,908,168)	—	—	(1,564,017)	(3,472,185)	—	(3,472,185)	
30 to 59 days	—	50,866,482	—	—	17,723,907	68,590,389	—	(1,349,265)	—	—	(1,148,471)	(2,497,736)	—	(2,497,736)	
60 to 89 days	—	17,459,981	—	—	13,216,808	30,676,789	—	(533,367)	—	—	(946,444)	(1,479,811)	—	(1,479,811)	
Over 90 days	—	—	—	—	88,772,353	88,772,353	—	—	—	—	(6,467,362)	(6,467,362)	—	(6,467,362)	
Subtotal	—	11,220,418,341	—	—	195,735,992	11,416,154,333	—	(15,153,912)	—	—	(14,148,658)	(29,302,570)	—	(29,302,570)	11,386,851,763
Consumer loans															
0 days	—	4,535,527,532	—	—	74,062,689	4,609,590,221	—	(151,281,708)	—	—	(45,532,196)	(196,813,904)	—	(196,813,904)	
1 to 29 days	—	162,284,703	—	—	20,344,969	182,629,672	—	(25,429,440)	—	—	(12,423,845)	(37,853,285)	—	(37,853,285)	
30 to 59 days	—	52,836,141	—	—	24,344,087	77,180,228	—	(15,414,187)	—	—	(15,708,786)	(31,122,973)	—	(31,122,973)	
60 to 89 days	—	19,914,709	—	—	21,236,122	41,150,831	—	(7,918,611)	—	—	(12,436,863)	(20,355,474)	—	(20,355,474)	
Over 90 days	—	—	—	—	82,388,687	82,388,687	—	—	—	—	(48,743,401)	(48,743,401)	—	(48,743,401)	
Subtotal	—	4,770,563,085	—	—	222,376,554	4,992,939,639	—	(200,043,946)	—	—	(134,845,091)	(334,889,037)	—	(334,889,037)	4,658,050,602
Total Loans	15,182,931,195	20,525,822,250	287,216,211	214,661,999	707,769,115	36,918,400,770	(153,143,682)	(257,219,395)	(20,796,353)	(75,935,289)	(239,230,802)	(746,325,521)	(32,743,404)	(779,068,925)	36,139,331,845

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(j) Loans and provisions by range of days past due (continued)

	Financial Assets Before Provisions						Provisions Recorded						Sub Total	FOGAPE COVID-19 guarantee deductible	Total	Asset Net financial
	Normal Portfolio Assessment		Sub-standard Portfolio Assessment	Default Portfolio Assessment		Total	Normal Portfolio Assessment		Sub-standard Portfolio Assessment	Default Portfolio Assessment						
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group					
ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
As of December 31, 2021																
Loans and advances to banks																
0 days	323,524,462	—	—	—	—	323,524,462	(408,193)	—	—	—	—	(408,193)	—	(408,193)		
1 to 29 days	116,306,706	—	—	—	—	116,306,706	(110,095)	—	—	—	—	(110,095)	—	(110,095)		
30 to 59 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
60 to 89 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Over 90 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Subtotal	439,831,168	—	—	—	—	439,831,168	(518,288)	—	—	—	—	(518,288)	—	(518,288)	439,312,880	
Commercial loans																
0 days	13,987,528,166	4,685,181,190	185,345,623	55,343,425	108,631,717	19,022,030,121	(145,671,449)	(46,332,358)	(5,523,440)	(20,058,257)	(29,674,316)	(247,259,820)	(47,586,996)	(294,846,816)		
1 to 29 days	106,130,539	64,441,457	9,709,952	7,540,333	21,048,515	208,870,796	(2,901,886)	(3,377,056)	(303,726)	(3,692,730)	(5,774,246)	(16,049,644)	(582,953)	(16,632,597)		
30 to 59 days	6,608,646	15,520,801	1,806,167	27,923,604	17,008,588	68,867,806	(131,142)	(1,832,747)	(218,191)	(15,255,617)	(5,072,711)	(22,510,408)	(103,117)	(22,613,525)		
60 to 89 days	55,282	5,170,884	803,993	5,073,365	8,598,490	19,702,014	(2,359)	(968,590)	(75,086)	(1,146,950)	(2,768,322)	(4,961,307)	(66,777)	(5,028,084)		
Over 90 days	—	—	—	67,080,491	115,983,131	183,063,622	—	—	—	(33,523,465)	(44,049,842)	(77,573,307)	(193,994)	(77,767,301)		
Subtotal	14,100,322,633	4,770,314,332	197,665,735	162,961,218	271,270,441	19,502,534,359	(148,706,836)	(52,510,751)	(6,120,443)	(73,677,019)	(87,339,437)	(368,354,486)	(48,533,837)	(416,888,323)	19,085,646,036	
Mortgage loans																
0 days	—	9,954,535,193	—	—	152,995,142	10,107,530,335	—	(8,021,153)	—	—	(10,267,016)	(18,288,169)	—	(18,288,169)		
1 to 29 days	—	82,007,151	—	—	31,032,895	113,040,046	—	(941,386)	—	—	(1,889,053)	(2,830,439)	—	(2,830,439)		
30 to 59 days	—	19,188,030	—	—	16,498,753	35,686,783	—	(384,328)	—	—	(1,005,441)	(1,389,769)	—	(1,389,769)		
60 to 89 days	—	6,562,760	—	—	12,531,821	19,094,581	—	(165,974)	—	—	(789,547)	(955,521)	—	(955,521)		
Over 90 days	—	—	—	—	71,298,738	71,298,738	—	—	—	—	(7,266,605)	(7,266,605)	—	(7,266,605)		
Subtotal	—	10,062,293,134	—	—	284,357,349	10,346,650,483	—	(9,512,841)	—	—	(21,217,662)	(30,730,503)	—	(30,730,503)	10,315,919,980	
Consumer loans																
0 days	—	3,899,346,115	—	—	116,450,406	4,015,796,521	—	(116,185,764)	—	—	(66,083,633)	(182,269,397)	—	(182,269,397)		
1 to 29 days	—	96,822,984	—	—	27,598,809	124,421,793	—	(15,669,827)	—	—	(16,838,394)	(32,508,221)	—	(32,508,221)		
30 to 59 days	—	27,558,041	—	—	24,546,868	52,104,909	—	(7,646,248)	—	—	(16,270,064)	(23,916,312)	—	(23,916,312)		
60 to 89 days	—	9,692,087	—	—	11,670,331	21,362,418	—	(3,131,738)	—	—	(7,602,437)	(10,734,175)	—	(10,734,175)		
Over 90 days	—	—	—	—	35,024,401	35,024,401	—	—	—	—	(21,201,944)	(21,201,944)	—	(21,201,944)		
Subtotal	—	4,033,419,227	—	—	215,290,815	4,248,710,042	—	(142,633,577)	—	—	(127,996,472)	(270,630,049)	—	(270,630,049)	3,978,079,993	
Total Loans	14,540,153,801	18,866,026,693	197,665,735	162,961,218	770,918,605	34,537,726,052	(149,225,124)	(204,657,169)	(6,120,443)	(73,677,019)	(236,553,571)	(670,233,326)	(48,533,837)	(718,767,163)	33,818,958,889	

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.11 – Financial assets at amortized cost (continued)

(k) Finance lease contracts

The cash flows receivable by the Bank under finance lease contracts have the following maturities.

	Total receivable		Deferred interest		Net receivable (*)	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Up to 1 year	583,321,145	525,719,707	(76,613,812)	(53,311,702)	506,707,333	472,408,005
1 to 2 years	433,397,445	385,117,662	(55,714,448)	(38,653,449)	377,682,997	346,464,213
2 to 3 years	294,727,906	260,002,348	(35,132,780)	(25,227,752)	259,595,126	234,774,596
3 to 4 years	191,083,414	166,416,225	(22,481,288)	(17,014,793)	168,602,126	149,401,432
4 to 5 years	134,589,633	116,649,799	(15,613,851)	(12,038,445)	118,975,782	104,611,354
Over 5 years	378,279,820	327,071,377	(33,166,235)	(25,624,115)	345,113,585	301,447,262
Total	2,015,399,363	1,780,977,118	(238,722,414)	(171,870,256)	1,776,676,949	1,609,106,862

(*) Net receivable does not include loans in arrears of ThCh\$5,219,305 as of December 31, 2022 (ThCh\$3,465,792 as of December 31, 2021).

The Bank has finance lease transactions mainly related to real estate, industrial machinery, vehicles and transport equipment. These leases have an average life of 2 to 15 years.

(l) Purchase of loan portfolios

No loan portfolios were acquired during 2022 and 2021.

(m) Sale or assignment of loans

During 2022 and 2021 the following loans from the loan portfolio were sold or assigned.

	2022			
	Loan value ThCh\$	Provisions ThCh\$	Sale value ThCh\$	Effect on net income (loss) ThCh\$
Sale of valid loans	7,908,500	(1,630,643)	7,908,500	1,630,643
Sale of written-off loans	—	—	—	—
Total	7,908,500	(1,630,643)	7,908,500	1,630,643
	2021			
	Loan value ThCh\$	Provisions ThCh\$	Sale value ThCh\$	Effect on net income (loss) ThCh\$
Sale of valid loans	23,783,107	(14,481,881)	13,991,864	4,690,638
Sale of written-off loans	—	—	11,719	11,719
Total	23,783,107	(14,481,881)	14,003,583	4,702,357

(n) Securitization of own assets

No own asset securitization transactions were carried out during 2022 and 2021.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.12 – Investments in other companies

(a) Investments in other companies are ThCh\$62,211,000 as of December 31, 2022, (ThCh\$52,756,655 as of December 31, 2021), which are detailed as follows:

Company	Shareholder	Percentage interest		Equity of the company		Asset	
		2022 %	2021 %	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Associates							
Transbank S.A.	Banco de Chile	26.16	26.16	109,761,946	84,897,735	29,014,915	22,206,198
Administrador Financiero del Transantiago S.A.	Banco de Chile	20.00	20.00	20,625,643	19,157,994	4,366,415	3,947,127
Centro de Compensación Automatizado S.A.	Banco de Chile	33.33	33.33	15,046,859	10,728,006	5,171,826	3,663,244
Sociedad Imerc OTC S.A.	Banco de Chile	12.33	12.33	13,213,088	12,609,214	1,661,695	1,541,372
Redbanc S.A.	Banco de Chile	38.13	38.13	11,367,608	9,934,927	4,400,164	3,842,481
Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A.	Banco de Chile	15.00	15.00	7,353,587	6,637,955	1,144,905	1,025,074
Sociedad Interbancaria de Depósitos de Valores S.A.	Banco de Chile	26.81	26.81	7,254,507	6,317,169	2,066,035	1,787,932
Subtotal associates				<u>184,623,238</u>	<u>150,283,000</u>	<u>47,825,955</u>	<u>38,013,428</u>
Joint ventures							
Servipag Ltda.	Banco de Chile	50.00	50.00	13,662,307	14,929,961	6,831,153	7,464,980
Artikos Chile S.A.	Banco de Chile	50.00	50.00	2,631,625	2,526,564	1,520,010	1,444,966
Subtotal joint ventures				<u>16,293,932</u>	<u>17,456,525</u>	<u>8,351,163</u>	<u>8,909,946</u>
Subtotal				<u>200,917,170</u>	<u>167,739,525</u>	<u>56,177,118</u>	<u>46,923,374</u>
Minority investments							
Bolsa de Comercio de Santiago S.A. (*)	Banchile Corredores de Bolsa					5,342,400	5,281,500
Bolsa Electrónica de Chile S.A. (*)	Banchile Corredores de Bolsa					349,500	210,000
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Banco de Chile					308,858	308,858
Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales (Swift)	Banco de Chile					24,714	24,935
CCLV Contraparte Central S.A.	Banchile Corredores de Bolsa					7,987	7,988
Subtotal minority investments						<u>6,033,459</u>	<u>5,833,281</u>
Total						<u>62,210,577</u>	<u>52,756,655</u>

(*) Investments in shares have been irrevocably designated at fair value through other comprehensive income. Therefore, they are recorded at market value in accordance with IFRS 9.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.12 – Investments in other companies (continued)

(b) Associates

	December 2022							
	Centro de Compensación Automatizado S.A. ThCh\$	Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A. ThCh\$	Sociedad Interbancaria de Depósitos de Valores S.A. ThCh\$	Redbanc S.A. ThCh\$	Transbank S.A. ThCh\$	Administrador Financiero del Transantiago S.A. ThCh\$	Sociedad Imerc OTC S.A. ThCh\$	Total ThCh\$
Current assets	8,954,086	6,646,515	81,312	14,458,961	1,359,640,299	59,946,001	31,105,089	1,480,832,263
Non-current assets	10,387,714	1,710,745	7,636,309	16,058,183	137,504,524	792,645	4,458,538	178,548,658
Total assets	19,341,800	8,357,260	7,717,621	30,517,144	1,497,144,823	60,738,646	35,563,627	1,659,380,921
Current liabilities	3,985,520	1,003,673	463,114	17,595,337	1,385,955,507	40,113,003	20,671,931	1,469,788,085
Non-current liabilities	309,421	—	—	1,554,199	1,427,370	—	1,669,509	4,960,499
Total liabilities	4,294,941	1,003,673	463,114	19,149,536	1,387,382,877	40,113,003	22,341,440	1,474,748,584
Equity	15,046,859	7,353,587	7,254,507	11,367,608	109,761,946	20,625,643	13,213,088	184,623,238
Non-controlling interests	—	—	—	—	—	—	9,099	9,099
Total liabilities and equity	19,341,800	8,357,260	7,717,621	30,517,144	1,497,144,823	60,738,646	35,563,627	1,659,380,921
Revenue	7,516,467	4,550,567	16,995	51,851,020	969,177,191	4,467,706	8,881,959	1,046,461,905
Operating expenses	(2,612,522)	(4,278,985)	(48,935)	(50,155,417)	(835,125,964)	(2,295,633)	(8,412,033)	(902,929,489)
Other income (expenses)	907,025	666,992	1,540,101	264,710	(103,853,748)	2,339,770	876,980	(97,258,170)
Net income before taxes	5,810,970	938,574	1,508,161	1,960,313	30,197,479	4,511,843	1,346,906	46,274,246
Income tax expense	(1,109,266)	(8,196)	—	(249,396)	(3,952,657)	(490,401)	(473,267)	(6,283,183)
Net income for the year	4,701,704	930,378	1,508,161	1,710,917	26,244,822	4,021,442	873,639	39,991,063

	December 2021							
	Centro de Compensación Automatizado S.A. ThCh\$	Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A. ThCh\$	Sociedad Interbancaria de Depósitos de Valores S.A. ThCh\$	Redbanc S.A. ThCh\$	Transbank S.A. ThCh\$	Administrador Financiero del Transantiago S.A. ThCh\$	Sociedad Imerc OTC S.A. ThCh\$	Total ThCh\$
Current assets	10,501,062	5,258,785	108,074	12,006,146	1,197,304,664	53,740,945	27,627,832	1,306,547,508
Non-current assets	2,745,966	2,310,223	6,566,955	16,404,198	120,282,643	695,726	8,012,682	157,018,393
Total assets	13,247,028	7,569,008	6,675,029	28,410,344	1,317,587,307	54,436,671	35,640,514	1,463,565,901
Current liabilities	2,125,609	835,671	357,860	9,490,170	1,230,001,770	35,189,292	21,178,561	1,299,178,933
Non-current liabilities	393,413	95,382	—	8,985,247	2,687,802	89,385	1,844,177	14,095,406
Total liabilities	2,519,022	931,053	357,860	18,475,417	1,232,689,572	35,278,677	23,022,738	1,313,274,339
Equity	10,728,006	6,637,955	6,317,169	9,934,927	84,897,735	19,157,994	12,609,214	150,283,000
Non-controlling interests	—	—	—	—	—	—	8,562	8,562
Total liabilities and equity	13,247,028	7,569,008	6,675,029	28,410,344	1,317,587,307	54,436,671	35,640,514	1,463,565,901
Revenue	5,675,030	3,897,642	9,712	43,191,566	821,362,038	4,032,966	7,209,844	885,378,798
Operating expenses	(2,377,191)	(3,652,538)	(42,947)	(41,066,493)	(757,772,762)	(2,181,832)	(6,863,548)	(813,957,311)
Other income (expenses)	87,188	134,036	1,207,836	(336,623)	(83,000,664)	295,877	(4,934)	(81,617,284)
Net income (loss) before taxes	3,385,027	379,140	1,174,601	1,788,450	(19,411,388)	2,147,011	341,362	(10,195,797)
Income tax expense	(756,775)	12,597	—	(375,078)	6,972,679	(221,547)	30,677	5,662,553
Net income (loss) for the year	2,628,252	391,737	1,174,601	1,413,372	(12,438,709)	1,925,464	372,039	(4,533,244)

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.12 – Investments in other companies (continued)

(c) Joint ventures

The Bank has a 50% interest in Artikos S.A. and Servipag Ltda., two jointly controlled companies. The Bank's interests in both companies are recognized using the equity method in the consolidated financial statements.

Summarized financial information for these jointly-controlled companies is as follows.

	Artikos S.A.		Servipag Ltda.	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Current assets	2,540,453	2,067,288	76,084,740	65,127,674
Non-current assets	1,984,448	2,277,386	14,605,890	15,721,173
Total assets	4,524,901	4,344,674	90,690,630	80,848,847
Current liabilities	1,326,457	1,167,470	73,922,929	61,078,932
Non-current liabilities	566,819	650,640	3,105,394	4,839,954
Total liabilities	1,893,276	1,818,110	77,028,323	65,918,886
Equity	2,631,625	2,526,564	13,662,307	14,929,961
Total liabilities and equity	4,524,901	4,344,674	90,690,630	80,848,847
Revenue	5,558,747	3,976,565	40,403,758	39,309,362
Operating expenses	(3,905,260)	(2,630,992)	(36,347,297)	(37,047,339)
Other income (expenses)	69,880	7,398	525,144	(230,587)
Net income before taxes	1,723,367	1,352,971	4,581,605	2,031,436
Income tax expense	(362,050)	(141,743)	(849,259)	(369,385)
Net income for the year	1,361,317	1,211,228	3,732,346	1,662,051

(d) Movements in investments in other companies accounted for using the equity method in 2022 and 2021 are as follows.

	2022 ThCh\$	2021 ThCh\$
Opening book value	46,923,374	42,337,699
Acquisition of investments	—	7,846,923
Share of income (loss) from investments with significant influence and joint control	13,030,768	1,793,883
Dividends received	(3,621,579)	(1,096,801)
Non-current assets, Nexus (*)	—	(3,960,649)
Other	(155,445)	2,319
Total	56,177,118	46,923,374

(*) See Note 40.3 (c).

(e) There was no impairment of these investments during the years ended December 31, 2022 and 2021.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.13 – Intangible assets

(a) As of December 31, 2022 and 2021, these are as follows.

	<u>Average useful life</u>		<u>Average amortization remaining</u>		<u>Gross balance</u>		<u>Accumulated amortization</u>		<u>Net balance</u>	
	<u>2022 Years</u>	<u>2021 Years</u>	<u>2022 Years</u>	<u>2021 Years</u>	<u>2022 ThCh\$</u>	<u>2021 ThCh\$</u>	<u>2022 ThCh\$</u>	<u>2021 ThCh\$</u>	<u>2022 ThCh\$</u>	<u>2021 ThCh\$</u>
Other independently generated intangible assets	6	6	5	4	263,268,240	209,424,789	(156,647,782)	(136,892,628)	106,620,458	72,532,161
Total					<u>263,268,240</u>	<u>209,424,789</u>	<u>(156,647,782)</u>	<u>(136,892,628)</u>	<u>106,620,458</u>	<u>72,532,161</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.13 – Intangible assets (continued)

(b) Movements in intangible assets during 2022 and 2021 are detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
<u>Gross balance</u>		
Balance as of January 1	209,424,789	180,662,629
Acquisitions	56,890,865	30,221,797
Disposals / derecognition	(2,742,514)	(352,409)
Reclassification	(182,416)	(89,187)
Impairment (*) (***)	(122,484)	(1,018,041)
Total	<u>263,268,240</u>	<u>209,424,789</u>
<u>Accumulated amortization</u>		
Balance as of January 1	(136,892,628)	(119,961,242)
Amortization for the year (**)	(21,501,712)	(17,831,208)
Disposals / derecognition	1,564,142	352,409
Reclassification	182,416	(2,004)
Impairment (*) (***)	—	549,417
Total	<u>(156,647,782)</u>	<u>(136,892,628)</u>
Net balance	<u>106,620,458</u>	<u>72,532,161</u>

(*) See Note 40.37 on impairment of non-financial assets.

(**) See Note 40.36 on depreciation and amortization.

(***) Excludes provisions for write-offs of intangible assets of ThCh\$1,178,372 in December 2021.

(c) As of December 31, 2022 and 2021, the Bank has the following commitments to technological developments.

Description	Commitment	
	2022	2021
	ThCh\$	ThCh\$
Software and licenses	15,213,270	7,097,445

(d) As of December 31, 2022, there are no indications or concrete evidence of impairment. There have been no events requiring the recognition of impairment as of the reporting date.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.14 – Property, plant and equipment

(a) As of December 31, 2022 and 2021, property, plant and equipment is detailed as follows.

	Average useful life		Average depreciation remaining		Gross balance		Accumulated depreciation		Net balance	
	2022 Years	2021 Years	2022 Years	2021 Years	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
ThCh\$										
Land and buildings	25	26	18	19	316,966,224	311,278,100	(157,809,594)	(148,645,365)	159,156,630	162,632,735
Equipment	5	5	3	3	246,705,003	243,755,824	(203,137,826)	(191,336,584)	43,567,177	52,419,240
Other	7	7	4	4	58,890,767	56,582,338	(51,490,708)	(49,314,914)	7,400,059	7,267,424
Total					<u>622,561,994</u>	<u>611,616,262</u>	<u>(412,438,128)</u>	<u>(389,296,863)</u>	<u>210,123,866</u>	<u>222,319,399</u>

(b) Movements in property, plant and equipment for 2022 and 2021 are as follows:

	December 2022			
	Land and buildings ThCh\$	Equipment ThCh\$	Other ThCh\$	Total ThCh\$
Gross Balance				
Closing balance as of January 1, 2022	311,278,100	243,755,824	56,582,338	611,616,262
Additions	6,040,602	9,823,231	2,842,133	18,705,966
Derecognition and sales during the year	(352,478)	(6,899,204)	(497,744)	(7,749,426)
Transfers	—	35,960	(35,960)	—
Impairment (***)	—	(10,808)	—	(10,808)
Total	<u>316,966,224</u>	<u>246,705,003</u>	<u>58,890,767</u>	<u>622,561,994</u>
Accumulated depreciation				
Closing balance as of January 1, 2022	(148,645,367)	(191,336,584)	(49,314,912)	(389,296,863)
Reclassification	—	—	71	71
Depreciation for the year (*) (**)	(9,227,601)	(18,650,046)	(2,701,998)	(30,579,645)
Derecognitions and sales during the year	63,374	6,883,451	490,187	7,437,012
Transfers	—	(35,944)	35,944	—
Impairment (***)	—	1,297	—	1,297
Total	<u>(157,809,594)</u>	<u>(203,137,826)</u>	<u>(51,490,708)</u>	<u>(412,438,128)</u>
Closing balance as of December 31, 2022	<u>159,156,630</u>	<u>43,567,177</u>	<u>7,400,059</u>	<u>210,123,866</u>
	December 2021			
	Land and buildings ThCh\$	Equipment ThCh\$	Other ThCh\$	Total ThCh\$
Gross Balance				
Closing balance as of January 1, 2021	304,951,274	222,623,011	55,897,791	583,472,076
Additions	9,476,539	22,366,915	2,349,374	34,192,828
Derecognition and sales during the year	(3,132,374)	(1,232,414)	(1,627,724)	(5,992,512)
Impairment (***)	(17,339)	(1,688)	(37,103)	(56,130)
Total	<u>311,278,100</u>	<u>243,755,824</u>	<u>56,582,338</u>	<u>611,616,262</u>
Accumulated depreciation				
Closing balance as of January 1, 2021	(142,543,766)	(175,143,447)	(47,855,917)	(365,543,130)
Reclassification	—	—	16,422	16,422
Depreciation for the year (**)	(8,894,642)	(17,408,959)	(3,107,721)	(29,411,322)
Derecognitions and sales during the year	2,793,041	1,215,822	1,619,653	5,628,516
Impairment (***)	—	—	12,651	12,651
Total	<u>(148,645,367)</u>	<u>(191,336,584)</u>	<u>(49,314,912)</u>	<u>(389,296,863)</u>
Closing balance as of December 31, 2021	<u>162,632,733</u>	<u>52,419,240</u>	<u>7,267,426</u>	<u>222,319,399</u>

(*) See Note 40.36 on depreciation and amortization.

(**) Excludes depreciation for the year on investment properties that are included in Other assets of ThCh\$356,746 (ThCh\$356,745 as of December 31, 2021).

(***) See Note 40.37 on impairment of non-financial assets. As of December 31, 2021, it excludes provisions for write-offs of property, plant and equipment of ThCh\$916,170.

As of December 31, 2022 and 2021, there are no restrictions on the property, plant and equipment of the Bank and its subsidiaries.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.15 – Right-of-use assets and lease liabilities

(a) As of December 31, 2022 and 2021, right-of-use assets are detailed as follows.

Category	Gross balance		Accumulated depreciation		Net balance	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Buildings	144,483,565	124,979,055	(64,352,875)	(46,743,163)	80,130,690	78,235,892
Spaces occupied by ATMs	43,492,628	42,051,451	(35,735,146)	(25,566,614)	7,757,482	16,484,837
Leasehold improvements	28,594,527	26,066,051	(21,561,381)	(20,598,934)	7,033,146	5,467,117
Total	216,570,720	193,096,557	(121,649,402)	(92,908,711)	94,921,318	100,187,846

(b) Movements in right-of-use assets during 2022 and 2021 were as follows

	December 2022			
	Buildings ThCh\$	Spaces occupied by ATMs ThCh\$	Leasehold improvements ThCh\$	Total ThCh\$
Gross balance				
Closing balance as of January 1, 2022	124,979,055	42,051,451	26,066,051	193,096,557
Additions	23,929,561	2,819,436	2,528,798	29,277,795
Derecognitions	(4,295,534)	(1,001,997)	(322)	(5,297,853)
Revaluation	(129,517)	(376,262)	—	(505,779)
Total	144,483,565	43,492,628	28,594,527	216,570,720
Accumulated depreciation				
Closing balance as of January 1, 2022	(46,743,163)	(25,566,614)	(20,598,934)	(92,908,711)
Depreciation for the year (*)	(19,636,676)	(11,167,705)	(962,769)	(31,767,150)
Derecognitions	2,026,964	999,173	322	3,026,459
Total	(64,352,875)	(35,735,146)	(21,561,381)	(121,649,402)
Closing balance as of December 31, 2022	80,130,690	7,757,482	7,033,146	94,921,318

(*) See Note 40.36 on depreciation and amortization.

	December 2021			
	Buildings ThCh\$	Spaces occupied by ATMs ThCh\$	Leasehold improvements ThCh\$	Total ThCh\$
Gross balance				
Closing balance as of January 1, 2021	123,215,318	40,444,528	26,580,483	190,240,329
Additions	12,123,254	2,867,147	1,385,574	16,375,975
Derecognitions	(10,467,602)	(1,054,664)	(1,900,006)	(13,422,272)
Revaluation	—	(205,560)	—	(205,560)
Other	108,085	—	—	108,085
Total	124,979,055	42,051,451	26,066,051	193,096,557
Accumulated depreciation				
Closing balance as of January 1, 2021	(33,560,285)	(16,496,547)	(21,354,171)	(71,411,003)
Depreciation for the year	(18,243,872)	(10,094,911)	(860,459)	(29,199,242)
Derecognitions	5,063,503	1,024,844	1,615,696	7,704,043
Other	(2,509)	—	—	(2,509)
Total	(46,743,163)	(25,566,614)	(20,598,934)	(92,908,711)
Closing balance as of December 31, 2021	78,235,892	16,484,837	5,467,117	100,187,846

(*) See Note 40.36 on depreciation and amortization.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.15 – Right-of-use assets and lease liabilities (continued)

(c) As of December 31, 2022 and 2021, the future maturities of lease liabilities (including unaccrued interest) are as follows.

Leased asset	December 2022							Total
	On demand	Under 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Buildings	—	1,868,613	3,672,410	15,954,032	30,707,052	19,171,931	21,533,043	92,907,081
ATMs	—	1,097,938	2,176,454	4,684,497	1,138,189	206,380	78,733	9,382,191
Total	—	2,966,551	5,848,864	20,638,529	31,845,241	19,378,311	21,611,776	102,289,272

Leased asset	December 2021							Total
	On demand	Under 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Buildings	—	1,785,442	3,554,542	13,515,973	28,024,685	21,529,654	27,733,057	96,143,353
ATMs	—	962,084	1,920,736	8,221,333	6,113,870	116,010	107,687	17,441,720
Total	—	2,747,526	5,475,278	21,737,306	34,138,555	21,645,664	27,840,744	113,585,073

The Bank and its subsidiaries have lease contracts with specific renewal options and it is reasonably certain that these options will be exercised. Therefore, the lease period used to value the asset and liability is an estimate of future renewals.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.15 – Right-of-use assets and lease liabilities (continued)

Movements during 2022 and 2021 in lease liabilities and cash flows are as follows:

Lease liabilities	Cash flow for the year ThCh\$
Balances as of January 1, 2021	115,017,207
Liabilities for new lease agreements	8,283,107
Interest accrual expense	1,978,164
Capital and interest payments	(30,586,399)
Revaluation	(205,560)
Agreements derecognized	(5,523,653)
Indexation	6,707,294
Balances as of December 31, 2021	<u>95,670,160</u>
Liabilities for new lease agreements	16,559,052
Interest accrual expense	1,864,556
Capital and interest payments	(32,374,022)
Revaluation	(505,779)
Agreements derecognized	(2,020,235)
Indexation	10,175,578
Balances as of December 31, 2022	<u>89,369,310</u>

- (d) Future cash flow related to short-term leases as of December 31, 2022 are ThCh\$3,483,092 (ThCh\$5,568,470 as of December 31, 2021).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.16 – Taxation

(a) Current taxes

The Bank and its subsidiaries have made a provision for corporate income tax for 2020 and 2021 in accordance with current tax laws. This provision is shown as the net amount of recoverable or payable taxes in the statement of financial position as of December 31, 2022 and 2019, as follows.

	2022	2021
	ThCh\$	ThCh\$
Income tax expense	311,531,954	299,396,986
Less:		
Monthly provisional tax payments	(492,990,361)	(182,903,399)
Training expense credits	(2,215,673)	(2,000,000)
Other	(2,795,555)	(2,210,169)
Total	<u>(186,469,635)</u>	<u>112,283,418</u>
Income tax rate	27%	27%
	2022	2021
	ThCh\$	ThCh\$
Current tax assets	187,401,200	845,646
Current tax liabilities	(931,565)	(113,129,064)
Total net taxes	<u>186,469,635</u>	<u>(112,283,418)</u>

(b) Income tax

The tax expense for the years ended December 31, 2022 and 2021, is detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Income tax expense:		
Current year taxes	369,710,368	250,155,439
Prior years taxes	2,931,157	3,014,316
Subtotal	<u>372,641,525</u>	<u>253,169,755</u>
Charge (credit) for deferred taxes:		
Creation and reversal of temporary differences	(104,453,768)	(77,525,808)
Subtotal	<u>(104,453,768)</u>	<u>(77,525,808)</u>
Other	7,568,840	2,636,009
Net income tax expense	<u>275,756,597</u>	<u>178,279,956</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.16 – Taxation (continued)

(c) Reconciliation of effective tax rate

The reconciliation between the income tax rate and the effective rate applied to the income tax expense for the years ended December 31, 2022 and 2021, is as follows.

	December 2022		December 2021	
	Tax rate %	ThCh\$	Tax rate %	ThCh\$
Tax on financial net income	27.00	455,444,530	27.00	262,079,326
Additions or deductions	0.96	16,175,597	0.23	2,221,650
Taxation indexation	(11.60)	(195,420,812)	(8.86)	(85,969,172)
Effective rate and income tax expense	<u>16.36</u>	<u>276,199,315</u>	<u>18.37</u>	<u>178,331,804</u>

The effective rate for income tax for the year 2022 is 16.36% (18.37% in December 2021).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.16 – Taxation (continued)

(d) Effect of deferred taxes on net income and equity

The Bank and its subsidiaries have recognized deferred taxes in their consolidated financial statements. The effects of deferred taxes on assets, liabilities and net income as of December 31, 2022, are as follows.

	Balances as of 12.31.2021 ThCh\$	Recognized in		Balances as of 12.31.2022 ThCh\$
		Investment income ThCh\$	Equity ThCh\$	
Debtor differences				
Provisions for credit risk	317,294,934	59,447,814	—	376,742,748
Personnel provisions	14,303,807	5,924,321	—	20,228,128
Unrestricted lines of credit	4,138,774	(709,913)	—	3,428,861
Vacation provisions	9,992,716	1,146,631	—	11,139,347
Accrued interest and indexation on impaired portfolio	5,073,313	5,231,522	—	10,304,835
Provisions for termination benefits	344,647	988,222	34,978	1,367,847
Credit card related expenses provision	9,774,127	(628,485)	—	9,145,642
Accrued expenses provision	12,315,432	(486,020)	—	11,829,412
Revaluation of investments at fair value through other comprehensive income	2,792,820	—	797,535	3,590,355
Leasing	52,018,591	37,802,339	—	89,820,930
Income received in advance	12,367,828	(3,355,951)	—	9,011,877
Other adjustments	36,871,365	(4,216,420)	—	32,654,945
Total debtor differences	477,288,354	101,144,060	832,513	579,264,927
Creditor differences				
Depreciation and indexation on property, plant and equipment	16,446,128	(5,508,750)	—	10,937,378
Transitory assets	6,957,552	995,943	—	7,953,495
Accrued loans effective rate	2,436,562	3,944	—	2,440,506
Prepaid expenses	5,668,093	(2,980,077)	—	2,688,016
Other adjustments	11,502,835	4,179,232	54,113	15,736,180
Total creditor differences	43,011,170	(3,309,708)	54,113	39,755,575
Net total	434,277,184	104,453,768	778,400	539,509,352

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.16 – Taxation (continued)

(d) Effect of deferred taxes on net income and equity (continued)

The effects of deferred taxes on assets, liabilities and net income as of December 31, 2021, are as follows.

	Balances as of 12.31.2020 ThCh\$	Recognized in		Balances as of 12.31.2021 ThCh\$
		Investment income ThCh\$	Equity ThCh\$	
Debtor differences				
Provisions for credit risk	268,482,055	48,812,879	—	317,294,934
Personnel provisions	16,233,073	(1,929,266)	—	14,303,807
Vacation provisions	9,164,033	828,683	—	9,992,716
Accrued interest and indexation on impaired portfolio	4,570,241	503,072	—	5,073,313
Provisions for termination benefits	537,819	(68,480)	(124,692)	344,647
Credit card related expenses provision	7,958,651	1,815,476	—	9,774,127
Accrued expenses provision	14,082,579	(1,767,147)	—	12,315,432
Revaluation of investments at fair value through other comprehensive income	—	—	2,792,820	2,792,820
Leasing	28,835,328	23,183,263	—	52,018,591
Income received in advance	16,087,954	(3,720,126)	—	12,367,828
Other adjustments	27,737,788	17,219,981	(3,947,630)	41,010,139
Total debtor differences	393,689,521	84,878,335	(1,279,502)	477,288,354
Creditor differences				
Depreciation and indexation on property, plant and equipment	17,255,984	(809,856)	—	16,446,128
Revaluation of investments at fair value through other comprehensive income	1,055,005	—	(1,055,005)	—
Transitory assets	5,378,335	1,579,217	—	6,957,552
Accrued loans effective rate	2,779,188	(342,626)	—	2,436,562
Prepaid expenses	2,233,834	3,434,259	—	5,668,093
Other adjustments	8,380,991	3,491,533	(369,689)	11,502,835
Total creditor differences	37,083,337	7,352,527	(1,424,694)	43,011,170
Net total	356,606,184	77,525,808	145,192	434,277,184

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.16 – Taxation (continued)

- (e) In compliance with Joint Circular 47 of the Internal Revenue Service (SII) and Circular 3,478 issued by the CMF dated August 18, 2009, the movements and effects of applying Article 31 number 4 of the Income Tax Law are as follows.

As required, the information relates just to the Bank lending services and not the transactions of the subsidiaries consolidated in these consolidated financial statements.

(e.1) Loans and advances to banks, and customer loans and receivables as of 12.31.2022	Assets at tax value				
	Assets at book value (*)	Assets at tax value	Secured past due portfolio	Unsecured past due portfolio	Total past due portfolio
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Loans and advances to banks	2,174,114,579	2,174,792,369	—	—	—
Commercial loans	17,560,201,636	18,338,161,396	28,686,493	84,524,213	113,210,706
Consumer loans	4,657,554,186	5,824,164,033	756,193	28,448,091	29,204,284
Residential mortgage loans	11,386,851,764	11,420,424,529	7,312,107	669,313	7,981,420
Total	35,778,722,165	37,757,542,327	36,754,793	113,641,617	150,396,410

(e.1) Loans and advances to banks, and customer loans and receivables as of 12.31.2021	Assets at tax value				
	Assets at book value (*)	Assets at tax value	Secured past due portfolio	Unsecured past due portfolio	Total past due portfolio
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Loans and advances to banks	1,529,312,881	1,529,831,169	—	—	—
Commercial loans	17,262,706,745	18,124,404,867	33,449,687	63,603,621	97,053,308
Consumer loans	3,977,570,467	5,098,856,004	503,106	10,156,174	10,659,280
Residential mortgage loans	10,315,919,981	10,345,097,660	8,877,509	362,973	9,240,482
Total	33,085,510,074	35,098,189,700	42,830,302	74,122,768	116,953,070

- (*) According to the referred Circular and the SII instructions, the value of the assets in the financial statements is shown on an individual basis (just Banco de Chile) net of provisions for loan losses and excludes lease and factoring transactions.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.16 – Taxation (continued)

(e.2) Provisions for the past due portfolio	Balance as of 01.01.2022 ThCh\$	Write-offs against provisions ThCh\$	Provisions created ThCh\$	Provisions released ThCh\$	Balance as of 31.12.2022 ThCh\$
Commercial loans	63,603,621	(46,736,231)	136,862,238	(69,205,415)	84,524,213
Consumer loans	10,156,174	(166,354,933)	194,339,961	(9,693,111)	28,448,091
Residential mortgage loans	362,973	(4,002,128)	16,949,398	(12,640,930)	669,313
Total	74,122,768	(217,093,292)	348,151,597	(91,539,456)	113,641,617

(e.2) Provisions for the past due portfolio	Balance as of 01.01.2021 ThCh\$	Write-offs against provisions ThCh\$	Provisions created ThCh\$	Provisions released ThCh\$	Balance as of 12.31.2021 ThCh\$
Commercial loans	72,439,932	(59,081,139)	215,637,617	(165,392,789)	63,603,621
Consumer loans	12,627,274	(144,809,711)	150,834,428	(8,495,817)	10,156,174
Residential mortgage loans	122,003	(4,870,038)	34,588,659	(29,477,651)	362,973
Total	85,189,209	(208,760,888)	401,060,704	(203,366,257)	74,122,768

(e.3) Direct write-offs and recoveries	2022 ThCh\$	2021 ThCh\$
Direct write-offs Art. 31, No. 4, section two	25,523,656	26,712,052
Debt relief that releases provisions	125,057	1,737,936
Recoveries or re-negotiation of written-off loans	62,910,869	66,226,509

(e.4) Application of Article 31 number 4 paragraphs 1 and 3 of Income Tax Law	2022 ThCh\$	2021 ThCh\$
Write-offs under paragraph 1	—	—
Relief under paragraph 3	125,057	1,737,936

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.17 – Other Assets

(a) Composition

As of December 31, 2021 and 2020, these are detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Cash guarantees for derivative financial transactions	314,300,486	293,377,945
Receivables from third parties	190,917,300	117,132,550
Debtors for brokerage of financial instruments	128,285,521	172,768,665
Assets to be leased in financial leases as lessor (*)	94,923,432	94,460,198
Prepaid expenses	39,743,612	45,731,058
Investment properties	12,119,423	12,476,168
Assets for regular revenue from contracts with customers	6,473,398	11,130,723
Recoverable taxes	4,435,285	3,749,148
Pending transactions	3,058,223	2,292,970
Other cash collateral provided	2,160,038	1,920,381
VAT receivable	6,516	12,702,705
Accumulated impairment of other assets receivable	(881,941)	(2,050,029)
Other property, plant and equipment	18,570,389	29,756,577
Total	<u>814,111,682</u>	<u>795,449,059</u>

(*) Relates to property, plant and equipment under finance leases.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.18 – Non-current assets and disposal groups held for sale and liabilities included in disposal groups held for sale

(a) As of December 31, 2022 and 2021, these are as follows.

	2022	2021
	ThCh\$	ThCh\$
Assets received in lieu of payment or awarded at judicial auction (*)		
Assets awarded at judicial auction	10,006,376	11,628,527
Assets received in lieu of payment	143,000	953,546
Provisions for assets received in lieu of payment or awarded at judicial auction	(24,524)	(78,980)
Non-current assets held for sale		
Investments in other companies (**)	—	3,960,649
Recovery of assets under finance leases	743,077	2,955,244
Disposable groups held for sale		
Total	<u>10,867,929</u>	<u>19,418,986</u>

(*) Assets received in lieu of payment relate to customers with past due debts. The assets acquired by the Bank in lieu of payment should at no time exceed 20% of the Bank's regulatory capital. These assets currently represent 0.0022% (0.0169% in 2021) of the Bank's regulatory capital.

(**) As of December 31, 2021, this was the interest in Sociedad Operadora de Tarjetas de Crédito Nexus S.A., which had been reclassified as a non-current asset, which was subsequently sold on September 30, 2022 (See Note 40.3c).

(b) Movements in the provision for assets received in lieu of payment during 2022 and 2021 are detailed as follows.

Provisions for assets received in lieu of payment	ThCh\$
Closing balance as of January 1, 2021	52,074
Provisions used	(137,682)
Provisions established	164,588
Provisions released	—
Closing balance as of December 31, 2021	<u>78,980</u>
Provisions used	(641,269)
Provisions established	586,813
Provisions released	—
Closing balance as of December 31, 2022	<u>24,524</u>

(c) The Bank has no liabilities in the disposal group during the years ended December 31, 2022 and 2021.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.19 – Financial liabilities held for trading at fair value through profit and loss

These are as follows:

	2022 ThCh\$	2021 ThCh\$
Financial derivative contracts	3,101,481,878	2,772,502,828
Other financial instruments	<u>6,271,026</u>	<u>9,610,355</u>
Total	<u>3,107,752,904</u>	<u>2,782,113,183</u>

a) As of December 31, 2022 and 2021, the Bank has the following portfolio of derivative instrument liabilities.

	Notional contract value by final maturity																Fair value Liabilities	
	On demand		Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 years		Over 5 years		Total		2022	2021
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Currency forwards	—	—	3,785,602,446	2,713,039,846	2,178,784,064	2,847,609,950	3,562,216,497	3,581,428,954	589,335,729	537,650,677	—	4,602,838	—	—	10,115,938,736	9,684,332,260	535,642,669	505,179,317
Interest rate swaps	—	—	1,905,525,945	602,351,770	1,837,022,742	1,951,608,316	5,208,401,078	5,662,945,971	5,173,535,042	5,557,885,507	3,743,708,968	3,312,683,874	4,398,122,930	4,927,051,332	22,266,316,705	22,014,526,768	1,248,414,267	831,337,844
Currency and rate swaps	—	—	307,671,615	158,301,761	584,427,340	436,814,306	1,327,827,792	2,567,508,820	3,271,781,566	2,857,645,277	1,872,025,449	2,017,579,196	2,844,395,304	2,673,151,660	10,208,129,066	10,711,001,020	1,311,870,876	1,432,800,529
Currency call options	—	—	17,387,321	6,827,757	18,726,384	9,359,591	26,019,529	24,578,884	—	341,057	—	—	—	—	62,133,234	41,107,284	1,664,843	2,726,450
Currency put options	—	—	20,571,616	5,457,208	27,619,650	26,667,827	27,610,306	27,598,509	—	2,631,437	—	—	—	—	75,801,572	62,354,971	3,889,223	458,888
Total	—	—	<u>6,036,758,943</u>	<u>3,485,978,342</u>	<u>4,646,580,180</u>	<u>5,272,059,986</u>	<u>10,152,075,202</u>	<u>11,864,061,138</u>	<u>9,034,652,337</u>	<u>8,956,153,933</u>	<u>5,615,734,417</u>	<u>5,334,865,908</u>	<u>7,242,518,234</u>	<u>7,600,202,992</u>	<u>42,728,319,313</u>	<u>42,513,322,303</u>	<u>3,101,481,878</u>	<u>2,772,502,828</u>

b) Other financial instruments or liabilities:

	2022 ThCh\$	2021 ThCh\$
Current accounts and other demand deposits	—	—
Savings accounts and time deposits	—	—
Debt instruments issued	—	—
Other	<u>6,271,026</u>	<u>9,610,355</u>
Total	<u>6,271,026</u>	<u>9,610,355</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2

Note 40 – Additional notes (continued)

Note 40.20 – Financial liabilities at amortized cost

These are as follows:

	2022	2021
	ThCh\$	ThCh\$
Current accounts and other demand deposits	13,378,131,424	18,212,612,786
Savings accounts and time deposits	14,152,498,508	8,801,903,887
Obligations under repurchase agreements and securities lending	216,263,788	85,399,071
Borrowings from financial institutions	5,397,675,856	4,861,866,021
Debt financial instruments issued	9,267,947,051	8,561,394,646
Other financial obligations	344,030,071	250,004,509
Total	<u>42,756,546,698</u>	<u>40,773,180,920</u>

(a) Current accounts and other demand deposits

As of December 31, 2022 and 2021, current accounts and other demand deposits are detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Current accounts	11,171,538,188	15,311,957,040
Other demand obligations	1,166,707,740	1,259,368,782
Demand deposits	657,057,129	952,621,181
Other demand deposits	382,828,367	688,665,783
Total	<u>13,378,131,424</u>	<u>18,212,612,786</u>

b) Savings accounts and time deposits

As of December 31, 2022 and 2021, savings accounts and time deposits are detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Time deposits	13,718,447,945	8,317,355,509
Time savings accounts	407,745,238	448,256,832
Other term payables	26,305,325	36,291,546
Total	<u>14,152,498,508</u>	<u>8,801,903,887</u>

Notes to the Consolidated Financial Statements

(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.20 – Financial liabilities at amortized cost (continued)

(c) Obligations under repurchase agreements and securities lending

The Bank obtains financing by selling financial instruments and committing to purchase them at future dates, plus interest at a prefixed rate. As of December 31, 2022 and 2021, these repurchase agreements are detailed as follows:

	On demand		Under 1 month		1 to 3 months		3 to 12 months		1 to 3 years		3 to 5 years		Over 5 years		Total	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Instruments issued by the State and the Chilean Central Bank																
Central Bank bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Chilean Central Bank promissory notes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other instruments of the State and the Chilean Central Bank	—	—	7,340,167	350,894	—	—	—	—	—	—	—	—	—	—	7,340,167	350,894
Subtotal	—	—	7,340,167	350,894	—	—	—	—	—	—	—	—	—	—	7,340,167	350,894
Debt financial instruments issued locally																
Deposit promissory notes issued in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortgage bonds from banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonds from banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Deposits with banks in Chile	—	—	173,732,580	84,996,568	51,877	—	—	51,609	—	—	—	—	—	—	173,784,457	85,048,177
Bonds from other Chilean companies	—	—	35,139,164	—	—	—	—	—	—	—	—	—	—	—	35,139,164	—
Other instruments issued in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	208,871,744	84,996,568	51,877	—	—	51,609	—	—	—	—	—	—	208,923,621	85,048,177
Debt financial instruments issued abroad																
Foreign sovereign or central bank instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other foreign instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	216,211,911	85,347,462	51,877	—	—	51,609	—	—	—	—	—	—	216,263,788	85,399,071

Instruments sold

The fair value of financial instruments given in guarantee by the Bank and its subsidiaries in sale transactions with repurchase agreements as of December 31, 2022, amounts to ThCh\$215,781,454 (ThCh\$85,322,416 as of December 31, 2021). If the Bank and its subsidiaries go into receivership or bankruptcy, then the counterparty is authorized to sell or pledge these investments.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.20 – Financial liabilities at amortized cost (continued)

(d) Borrowings from financial institutions

As of December 31, 2021 and 2020, these are detailed as follows.

	2022 ThCh\$	2021 ThCh\$
Domestic banks		
Banco Santander	2,698,535	—
Subtotal banks in Chile	<u>2,698,535</u>	<u>—</u>
Foreign banks		
Foreign trade financing		
Wells Fargo Bank	231,310,517	145,070,494
Bank of Nova Scotia	142,787,016	—
HSBC	85,152,672	—
Standard Chartered Bank	81,827,568	4,989,576
Bank of America	80,509,199	43,924,998
Bank of New York Mellon	77,845,702	17,054,668
Citibank N.A. USA	69,809,690	70,589,625
Industrial and Commercial Bank of China	1,280,077	—
Commerzbank AG	347,967	1,781,840
Bank of Tokyo	—	412,434
Sumitomo Mitsui Banking	—	42,640,984
Borrowings and other obligations		
Wells Fargo Bank	149,943,811	133,692,432
Citibank N.A. United Kingdom	108,016,898	48,120,166
Standard Chartered Bank	14,280,797	211,179
Deutsche Bank AG	3,178,983	—
Commerzbank AG	109,671	567,776
Citibank N.A. USA	1	4,173,427
Other	55,963	176,028
Subtotal foreign banks	<u>1,046,456,532</u>	<u>513,405,627</u>
Chilean Central Bank (*)	4,348,520,789	4,348,460,394
Total	<u>5,397,675,856</u>	<u>4,861,866,021</u>

(*) Financing provided by the Chilean Central Bank to provide liquidity to the economy and support the flow of credit to households and companies includes the Credit Facility Conditional on Increased Lending (FCIC) program and the Liquidity Credit Line (LCL).

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.20 – Financial liabilities at amortized cost (continued)

(e) Debt financial instruments issued

As of December 31, 2022 and 2021, debt financial instruments issued are detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Letters of credit		
Letters of credit for residential purposes	2,327,831	4,005,359
Letters of credit for general purposes	48,904	110,553
Bonds		
Ordinary bonds	9,265,570,316	8,557,278,734
Mortgage bonds	—	—
Total	<u>9,267,947,051</u>	<u>8,561,394,646</u>

During 2022, Banco de Chile placed bonds amounting to ThCh\$1,355,816,021, consisting of short-term bonds of ThCh\$215,248,930, and long-term bonds of ThCh\$1,140,567,091, detailed as follows:

Short-term bonds

Counterparty	Currency	Amount ThCh\$	Annual interest rate %	Issue date	Maturity date
Wells Fargo Bank	USD	17,065,200	1.61	05/18/2022	08/16/2022
Wells Fargo Bank	USD	41,944,000	1.61	05/19/2022	08/17/2022
Citibank N.A.	USD	8,379,100	2.25	05/20/2022	11/21/2022
Citibank N.A.	USD	5,027,460	1.60	05/20/2022	08/22/2022
Wells Fargo Bank	USD	28,702,450	2.35	06/06/2022	12/06/2022
Citibank N.A.	USD	1,652,020	2.25	06/09/2022	12/09/2022
Wells Fargo Bank	USD	85,779,000	5.40	12/13/2022	06/12/2023
Wells Fargo Bank	USD	26,699,700	5.00	12/19/2022	03/16/2023
Total as of December 31, 2022		<u>215,248,930</u>			

Long-term bonds

Series	Currency	Amount ThCh\$	Term in years	Annual interest rate %	Issue date	Maturity date
BCHIBS0815	UF	15,706,581	14	3.00	01/05/2022	01/05/2036
BCHIBS0815	UF	15,718,635	14	3.06	01/20/2022	01/20/2036
BCHICF0815	UF	65,737,645	17	2.65	03/01/2022	03/01/2039
BCHICP0815	UF	65,882,532	19	2.80	03/01/2022	03/01/2041
BCHIBS0815	UF	32,582,909	14	2.60	03/17/2022	03/17/2036
BCHICQ1015	UF	69,443,233	19	3.20	11/02/2022	11/02/2041
BCHICN0815	UF	69,801,806	19	3.20	11/02/2022	11/02/2041
BCHICO1215	UF	70,177,518	19	3.20	11/02/2022	11/02/2041
BCHICK0815	UF	73,568,004	18	3.20	11/14/2022	11/14/2040
BCHICM1215	UF	18,618,285	18	3.20	11/18/2022	11/18/2040
BCHIDV1116	UF	9,305,422	11	4.40	11/21/2022	11/21/2033
BCHIDV1116	UF	37,270,593	11	4.40	11/22/2022	11/22/2033
BCHIBU0815	UF	20,003,481	14	3.00	12/02/2022	12/02/2036
BCHIDU0716	UF	36,536,122	11	4.40	12/02/2022	12/02/2033
BCHICM1215	UF	9,452,862	18	3.20	12/05/2022	12/05/2040
BCHICM1215	UF	46,318,056	18	3.20	12/07/2022	12/07/2040
BCHICL1015	UF	74,421,361	18	3.20	12/07/2022	12/07/2040
BCHIGJ0522	UF	141,320,231	13	2.70	12/07/2022	12/07/2035
BCHICJ1215	UF	25,912,301	18	3.20	12/12/2022	12/12/2040
BCHICJ1215	UF	48,099,229	18	3.20	12/13/2022	12/13/2040
BCHIGK1221	UF	143,020,366	14	2.70	12/22/2022	12/22/2036
Subtotal UF		<u>1,088,897,172</u>				
PEN BOND	PEN	<u>51,669,919</u>	20	8.65	03/09/2022	03/09/2042
Subtotal other currencies		<u>51,669,919</u>				
Total as of December 31, 2022		<u>1,140,567,091</u>				

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.20 – Financial liabilities at amortized cost (continued)

(e) Debt financial instruments issued (continued)

During the year ended December 31, 2021, Banco de Chile placed bonds amounting to ThCh\$1,661,016,258, consisting of short-term bonds of ThCh\$698,435,286, and long-term bonds of ThCh\$962,580,972, detailed as follows:

Short-term bonds

Counterparty	Currency	Amount ThCh\$	Annual interest rate %	Issue date	Maturity date
Wells Fargo Bank	USD	72,240,000	0.23	01/20/2021	04/20/2021
Wells Fargo Bank	USD	36,736,000	0.38	02/09/2021	02/04/2022
Citibank N.A.	USD	36,736,000	0.28	02/09/2021	08/02/2021
Wells Fargo Bank	USD	35,700,000	0.26	02/25/2021	08/24/2021
Citibank N.A.	USD	71,400,000	0.23	02/25/2021	06/01/2021
Wells Fargo Bank	USD	35,700,000	0.26	02/25/2021	08/26/2021
Citibank N.A.	USD	36,294,500	0.34	03/04/2021	09/03/2021
Citibank N.A.	USD	72,589,000	0.34	03/04/2021	09/07/2021
Wells Fargo Bank	USD	18,147,250	0.25	03/04/2021	06/01/2021
Wells Fargo Bank	USD	78,814,000	0.25	09/08/2021	06/01/2022
Citibank N.A.	USD	78,873,000	0.23	09/10/2021	03/10/2022
Wells Fargo Bank	USD	39,436,500	0.25	09/10/2021	06/08/2022
Citibank N.A.	USD	78,413,000	0.23	09/13/2021	03/17/2022
Wells Fargo Bank	USD	4,283,070	0.28	09/15/2021	09/14/2022
Citibank N.A.	USD	3,072,966	0.28	09/22/2021	09/16/2022
Total as of December 31, 2021		<u>698,435,286</u>			

Long-term bonds

Series	Currency	Amount ThCh\$	Term in years	Annual interest rate %	Issue date	Maturity date
BCHIER1117	UF	109,888,728	6	3.68	10/22/2021	10/22/2027
BCHICD0815	UF	58,658,286	9	3.59	10/25/2021	10/25/2030
BCHIEU0917	UF	109,363,218	7	3.70	10/25/2021	10/25/2028
Subtotal UF		<u>277,910,232</u>				
JPY BOND	JPY	36,097,000	10	0.70	08/17/2021	08/17/2031
AUD BOND	AUD	31,202,567	10	Rate BBSW +1.38	08/12/2021	08/12/2031
CHF BOND	CHF	115,483,173	5	0.32	10/14/2021	10/14/2026
USD BOND	USD	82,543,000	5	2.22	11/17/2021	11/17/2026
USD BOND	USD	419,345,000	10	2.99	12/07/2021	12/07/2031
Subtotal other currencies		<u>684,670,740</u>				
Total as of December 31, 2021		<u>962,580,972</u>				

The Bank has not defaulted on its payments of principal and interest on its debt instruments during 2022 and 2021. Neither has there been any non-compliance with covenants or other commitments associated with its debt instruments.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.20 – Financial liabilities at amortized cost (continued)

(f) Other financial obligations

As of December 31, 2022 and 2021, other financial obligations are detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Domestic financial obligations	343,926,951	249,781,155
Financial obligations to the public sector	103,120	223,354
Total	<u>344,030,071</u>	<u>250,004,509</u>

Note 40.21 – Regulatory capital financial instruments issued

(a) As of December 31, 2022 and 2021, these are as follows.

	2022	2021
	ThCh\$	ThCh\$
Subordinated bonds with transitional recognition	—	—
Subordinated bonds	1,010,905,166	917,509,514
Perpetual bonds	—	—
Preferential shares	—	—
Total	<u>1,010,905,166</u>	<u>917,509,514</u>

(b) Subordinated bonds issued during the period:

No regulatory capital financial instruments were issued during 2022 and 2021.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.21 – Regulatory capital financial instruments issued (continued)

(c) Movement in regulatory capital financial instruments

	Subordinated bonds ThCh\$	Perpetual bonds ThCh\$	Preferential shares ThCh\$
Balance as of January 1, 2021	886,406,724	—	—
New issues	—	—	—
Transaction costs	—	—	—
Amortization of transaction costs	—	—	—
Interest accrued	29,388,859	—	—
Acquisition or redemption by the issuer	—	—	—
Modification of issuance conditions	—	—	—
Interest and indexation payments for the holder	(39,479,193)	—	—
Principal payments for the holder	(16,277,249)	—	—
Accrued indexation for changes in the UF	57,470,373	—	—
Exchange differences	—	—	—
Depreciation	—	—	—
Appreciation	—	—	—
Maturity	—	—	—
Conversion to common shares	—	—	—
Balance as of December 31, 2021	917,509,514	—	—
Balance as of January 1, 2022	917,509,514	—	—
New issues	—	—	—
Transaction costs	—	—	—
Amortization of transaction costs	—	—	—
Interest accrued	31,271,106	—	—
Acquisition or redemption by the issuer	—	—	—
Modification of issuance conditions	—	—	—
Interest and indexation payments for the holder	(42,865,813)	—	—
Principal payments for the holder	(15,183,679)	—	—
Accrued indexation for changes in the UF	120,174,038	—	—
Exchange differences	—	—	—
Depreciation	—	—	—
Appreciation	—	—	—
Maturity	—	—	—
Conversion to common shares	—	—	—
Balance as of December 31, 2022	1,010,905,166	—	—

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.21 – Regulatory capital financial instruments issued (continued)

(d) As of December 31, 2022 and 2021, subordinated bonds are as follows:

December 2022						
Series	Currency	Value	Rate %	Registration Date	Maturity Date	Balance Due ThCh\$
C1	UF	300,000	7.5	12/06/1999	01/01/2030	5,552,692
C1	UF	200,000	7.4	12/06/1999	01/01/2030	3,707,127
C1	UF	530,000	7.1	12/06/1999	01/01/2030	9,905,652
C1	UF	300,000	7.1	12/06/1999	01/01/2030	5,610,401
C1	UF	50,000	6.5	12/06/1999	01/01/2030	950,875
C1	UF	450,000	6.6	12/06/1999	01/01/2030	8,555,305
D2	UF	1,600,000	4.3	06/20/2002	04/01/2023	2,819,854
D2	UF	400,000	4.3	06/20/2002	04/01/2023	704,964
D1	UF	2,000,000	3.6	06/20/2002	04/01/2026	21,278,973
F	UF	1,000,000	5.0	11/28/2008	11/01/2033	33,929,956
F	UF	1,500,000	5.0	11/28/2008	11/01/2033	50,894,934
F	UF	759,000	4.5	11/28/2008	11/01/2033	26,834,595
F	UF	241,000	4.5	11/28/2008	11/01/2033	8,520,603
F	UF	4,130,000	4.2	11/28/2008	11/01/2033	149,084,243
F	UF	1,000,000	4.3	11/28/2008	11/01/2033	36,097,880
F	UF	70,000	4.2	11/28/2008	11/01/2033	2,535,269
F	UF	4,000,000	3.9	11/28/2008	11/01/2033	149,314,439
F	UF	2,300,000	3.8	11/28/2008	11/01/2033	86,213,705
G	UF	600,000	4.0	11/29/2011	11/01/2036	20,685,703
G	UF	50,000	4.0	11/29/2011	11/01/2036	1,723,809
G	UF	80,000	3.9	11/29/2011	11/01/2036	2,778,158
G	UF	450,000	3.9	11/29/2011	11/01/2036	15,644,622
G	UF	160,000	3.9	11/29/2011	11/01/2036	5,562,532
G	UF	1,000,000	2.7	11/29/2011	11/01/2036	39,615,805
G	UF	300,000	2.7	11/29/2011	11/01/2036	11,884,741
G	UF	1,360,000	2.6	11/29/2011	11/01/2036	54,050,441
J	UF	1,400,000	1.0	11/29/2011	11/01/2042	73,325,637
J	UF	1,500,000	1.0	11/29/2011	11/01/2042	78,679,760
J	UF	1,100,000	1.0	11/29/2011	11/01/2042	58,137,602
I	UF	900,000	1.0	11/29/2011	11/01/2040	46,304,889
Total subordinated bonds						1,010,905,166

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.21 – Regulatory capital financial instruments issued (continued)

December 2021

Series	Currency	Value	Rate %	Registration Date	Maturity Date	Balance Due ThCh\$
C1	UF	300,000	7.5	12/06/1999	01/01/2030	5,377,321
C1	UF	200,000	7.4	12/06/1999	01/01/2030	3,590,804
C1	UF	530,000	7.1	12/06/1999	01/01/2030	9,604,911
C1	UF	300,000	7.1	12/06/1999	01/01/2030	5,440,629
C1	UF	50,000	6.5	12/06/1999	01/01/2030	924,080
C1	UF	450,000	6.6	12/06/1999	01/01/2030	8,313,384
C2	UF	250,000	7.5	12/06/1999	01/01/2022	390,272
C2	UF	350,000	6.6	12/06/1999	01/01/2022	546,435
C2	UF	1,000,000	6.5	12/06/1999	01/01/2022	1,561,242
A7	UF	40,000	6.9	07/16/1999	08/01/2022	115,308
A7	UF	50,000	6.9	07/16/1999	08/01/2022	144,135
A7	UF	200,000	6.9	07/16/1999	08/01/2022	576,539
A7	UF	50,000	6.9	07/16/1999	08/01/2022	144,149
A7	UF	50,000	6.9	07/16/1999	08/01/2022	144,178
A7	UF	160,000	6.9	07/16/1999	08/01/2022	461,277
A7	UF	450,000	6.9	07/16/1999	08/01/2022	1,297,213
C2	UF	60,000	6.7	12/06/1999	01/01/2022	93,675
C2	UF	280,000	6.7	12/06/1999	01/01/2022	437,148
C2	UF	170,000	6.7	12/06/1999	01/01/2022	265,411
C2	UF	110,000	6.6	12/06/1999	01/01/2022	171,737
C2	UF	30,000	6.7	12/06/1999	01/01/2022	46,837
D2	UF	1,600,000	4.3	06/20/2002	04/01/2023	7,311,072
D2	UF	400,000	4.3	06/20/2002	04/01/2023	1,827,768
D1	UF	2,000,000	3.6	06/20/2002	04/01/2026	23,734,058
F	UF	1,000,000	5.0	11/28/2008	11/01/2033	29,864,989
F	UF	1,500,000	5.0	11/28/2008	11/01/2033	44,797,484
F	UF	759,000	4.5	11/28/2008	11/01/2033	23,686,345
F	UF	241,000	4.5	11/28/2008	11/01/2033	7,520,961
F	UF	4,130,000	4.2	11/28/2008	11/01/2033	131,799,876
F	UF	1,000,000	4.3	11/28/2008	11/01/2033	31,909,681
F	UF	70,000	4.2	11/28/2008	11/01/2033	2,241,763
F	UF	4,000,000	3.9	11/28/2008	11/01/2033	132,308,738
F	UF	2,300,000	3.8	11/28/2008	11/01/2033	76,414,977
G	UF	600,000	4.0	11/29/2011	11/01/2036	18,234,524
G	UF	50,000	4.0	11/29/2011	11/01/2036	1,519,544
G	UF	80,000	3.9	11/29/2011	11/01/2036	2,449,978
G	UF	450,000	3.9	11/29/2011	11/01/2036	13,796,559
G	UF	160,000	3.9	11/29/2011	11/01/2036	4,905,443
G	UF	1,000,000	2.7	11/29/2011	11/01/2036	35,192,550
G	UF	300,000	2.7	11/29/2011	11/01/2036	10,557,765
G	UF	1,360,000	2.6	11/29/2011	11/01/2036	48,023,005
J	UF	1,400,000	1.0	11/29/2011	11/01/2042	65,674,712
J	UF	1,500,000	1.0	11/29/2011	11/01/2042	70,473,342
J	UF	1,100,000	1.0	11/29/2011	11/01/2042	52,088,626
I	UF	900,000	1.0	11/29/2011	11/01/2040	41,529,069
Total subordinated bonds						917,509,514

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)



Note 40 – Additional notes (continued)

Note 40.22 – Provisions for contingencies

(a) As of December 31, 2022 and 2021, these are as follows.

	2022	2021
	ThCh\$	ThCh\$
Provisions for employee benefit obligations	139,314,582	106,963,628
Provisions for obligations for customer loyalty and merit-based programs	33,609,268	35,936,992
Provisions for operational risk	2,838,338	694,254
Provisions by a foreign bank branch for remitting profits to its parent	—	—
Provisions for restructuring plans	—	—
Provisions for lawsuits and litigation	—	—
Provisions for other contingencies	263,480	263,480
Total	<u>176,025,668</u>	<u>143,858,354</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.22 –Provisions for contingencies (continued)

(b) Movements in provisions during 2022 and 2021 are detailed as follows.

	Provisions for employee benefit obligations ThCh\$	Provisions by a foreign bank branch for remitting profits to its parent ThCh\$	Provisions for restructuring plans ThCh\$	Provisions for lawsuits and litigation ThCh\$	Provisions for obligations for customer loyalty and merit-based programs ThCh\$	Provisions for operational risk ThCh\$	Provisions for other contingencies ThCh\$	Total ThCh\$
Balance as of January 1, 2021	111,243,487	—	—	244,000	30,187,204	311,203	263,480	142,249,374
Provisions established	83,849,785	—	—	—	5,749,788	383,051	—	89,982,624
Provisions used	(88,129,644)	—	—	—	—	—	—	(88,129,644)
Provisions released	—	—	—	(244,000)	—	—	—	(244,000)
Balance as of December 31, 2021	106,963,628	—	—	—	35,936,992	694,254	263,480	143,858,354
Provisions established	123,787,803	—	—	—	—	2,144,084	—	125,931,887
Provisions used	(91,436,849)	—	—	—	—	—	—	(91,436,849)
Provisions released	—	—	—	—	(2,327,724)	—	—	(2,327,724)
Balance as of December 31, 2022	139,314,582	—	—	—	33,609,268	2,838,338	263,480	176,025,668

(c) Provisions for employee benefit obligations

	2022 ThCh\$	2021 ThCh\$
Provision for short-term employee benefits	128,579,750	100,517,259
Provision for employee termination benefits	10,734,832	6,446,369
Provision for post-employment employee benefits	—	—
Provision for long-term employee benefits	—	—
Provision for share-based payments to employees	—	—
Provision for defined contribution post-employment employee plans	—	—
Provision for defined benefit post-employment employee plans	—	—
Provision for other employee benefits	—	—
Total	139,314,582	106,963,628

(d) Provisions for short-term employee benefits

(i) Provision for performance bonuses

	2022 ThCh\$	2021 ThCh\$
Balance as of January 1	53,069,286	43,941,352
Provisions established	66,817,279	49,651,946
Provisions used	(46,683,162)	(40,524,013)
Total	73,203,403	53,069,285

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.22 – Provisions for contingencies (continued)

(d) Provisions for short-term employee benefits (continued)

(ii) Vacation provisions

	2022	2021
	ThCh\$	ThCh\$
Balance as of January 1	37,010,060	33,992,491
Provisions established	12,106,899	11,293,727
Provisions used	<u>(7,860,115)</u>	<u>(8,276,158)</u>
Total	<u>41,256,844</u>	<u>37,010,060</u>

(iii) Provision for other employee benefits

	2022	2021
	ThCh\$	ThCh\$
Balance as of January 1	10,437,913	25,728,470
Provisions established	38,916,597	22,837,558
Provisions used	<u>(35,235,007)</u>	<u>(38,128,114)</u>
Total	<u>14,119,503</u>	<u>10,437,914</u>

(e) Provisions for employee termination benefits

(i) Movement in the provision for employee termination benefits

	2022	2021
	ThCh\$	ThCh\$
Opening balance	6,446,369	7,581,174
Increases in the provision	5,817,485	589,643
Payments	(1,658,565)	(1,201,359)
Effect of change in actuarial factors	129,543	(523,089)
Total	<u>10,734,832</u>	<u>6,446,369</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.22 – Provisions for contingencies (continued)

(e) Provisions for employee termination benefits (continued)

(ii) Net cost of benefits

	2022	2021
	ThCh\$	ThCh\$
Increase (decrease) in provision	5,554,156	225,994
Interest cost of benefit obligations	263,329	363,649
Effect of change in actuarial factors	129,543	(523,089)
Net cost of benefits	<u>5,947,028</u>	<u>66,554</u>

(iii) Factors used to calculate the provision

The principal assumptions used to calculate termination benefits for Banco de Chile's plan are as follows.

	As of December 31,	As of December 31,
	2022	2021
	%	%
Discount rate	5.50	5.70
Rate of salary increase	4.80	3.94
Probability of payment	99.99	99.99

The most recent actuarial valuation of the termination benefits provision was during the fourth quarter of 2022.

(f) Provisions for share-based employee benefits

As of December 31, 2022 and 2021, the Bank and its subsidiaries have no share compensation plan.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.23 – Provisions for dividends, interest and reappraisal of regulatory capital financial instruments

(a) These are as follows:

	2022	2021
	ThCh\$	ThCh\$
Provision for dividends	253,526,063	158,223,699
Provisions for interest on perpetual bonds	—	—
Provision for reappraisal of perpetual bonds	—	—
Total	<u>253,526,063</u>	<u>158,223,699</u>

(b) Movements for each year are as follows.

	Provision for dividends	Provisions for interest on perpetual bonds	Provision for reappraisal of perpetual bonds	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of January 1, 2021	107,602,494	—	—	107,602,494
Provisions established	158,223,699	—	—	158,223,699
Provisions used	(107,602,494)	—	—	(107,602,494)
Provisions released	—	—	—	—
Balance as of December 31, 2021	<u>158,223,699</u>	<u>—</u>	<u>—</u>	<u>158,223,699</u>
Provisions established	253,526,063	—	—	253,526,063
Provisions used	(158,223,699)	—	—	(158,223,699)
Provisions released	—	—	—	—
Balance as of December 31, 2022	<u>253,526,063</u>	<u>—</u>	<u>—</u>	<u>253,526,063</u>

Note 40.24 – Special provisions for credit risk

(a) As of December 31, 2022 and 2021, these are as follows.

	2022	2021
	ThCh\$	ThCh\$
Additional loan provisions	700,251,877	540,251,877
Provisions for credit risk on contingent loans (*)	57,376,924	53,986,059
Provisions for country risk on transactions with debtors domiciled abroad	8,136,717	7,335,947
Special provisions for foreign loans	—	—
Adjustments to the minimum provision for normal portfolios with individual evaluation	—	—
Provisions for credit risk to meet supplementary prudential requirements	—	—
Total	<u>765,765,518</u>	<u>601,573,883</u>

(*) The movement in provisions for credit risk on contingent loans is disclosed in Note 40.11f.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.24 – Special provisions for credit risk (continued)

(b) Movements in special provisions for credit risk are as follows.

	Additional loan provisions ThCh\$	Provisions for credit risk on contingent loans ThCh\$	Provisions for country risk on transactions with debtors domiciled abroad ThCh\$	Total ThCh\$
Balance as of January 1, 2021	320,251,877	76,190,508	5,447,247	401,889,632
Provisions established	220,000,000	—	1,888,700	221,888,700
Provisions used	—	—	—	—
Provisions released	—	(9,624,535)	—	(9,624,535)
Exchange differences	—	(12,579,914)	—	(12,579,914)
Balance as of December 31, 2021	540,251,877	53,986,059	7,335,947	601,573,883
Provisions established	160,000,000	3,867,838	800,770	164,668,608
Provisions used	—	—	—	—
Provisions released	—	—	—	—
Exchange differences	—	(476,973)	—	(476,973)
Balance as of December 31, 2022	700,251,877	57,376,924	8,136,717	765,765,518

Note 40.25 – Other liabilities

As of December 31, 2021 and 2020, these are detailed as follows.

	2022 ThCh\$	2021 ThCh\$
Third party payables	384,621,991	326,450,658
Mortgage loan obligations payable to other banks or realtors	203,831,867	285,324,693
Cash guarantees received for derivative financial transactions	201,847,448	336,291,542
Creditors for brokerage of financial instruments	131,105,497	174,484,669
Liabilities for regular revenue from contracts with customers	59,257,716	70,542,229
Securities being settled	27,198,308	55,049,230
Dividends payable	7,898,480	4,698,898
VAT payable	4,743,539	18,144,468
Pending transactions	1,209,150	4,791,424
Other cash collateral received	475,339	534,834
Other liabilities	32,732,436	27,361,598
Total	<u>1,054,921,771</u>	<u>1,303,674,243</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.26 – Contingencies and commitments

a) The Bank and its subsidiaries are exposed to contingent loans and other liabilities as follows:

a.1) Contingent loans

	2022	2021
	ThCh\$	ThCh\$
Co-debtors and guarantees		
Guarantees and surety bonds in Chilean currency	—	—
Collateral and guarantees in foreign currency	348,774,178	439,669,088
Letters of credit for the movement of goods	424,194,970	450,024,429
Local currency debt purchase commitments abroad	—	—
Transactions related to contingent events		
Transactions related to contingent events in Chilean pesos	2,230,917,029	1,952,979,907
Transactions related to contingent events in foreign currency	466,690,993	413,973,549
Unrestricted lines of credit with immediate cancellation		
Undrawn balance of line of credit and checking account overdraft - commercial portfolio	1,396,658,589	1,483,884,187
Undrawn balance on credit card - commercial portfolio	290,950,090	261,641,659
Undrawn balance of line of credit and checking account overdraft - consumer portfolio	1,457,302,796	1,350,157,143
Undrawn balance on credit card - consumer portfolio	6,202,950,961	5,555,510,250
Undrawn balance of line of credit and checking account overdraft - banking portfolio	—	—
Unrestricted lines of credit		
Undrawn balance of line of credit and checking account overdraft - commercial portfolio	—	—
Undrawn balance on credit card - commercial portfolio	—	—
Undrawn balance of line of credit and checking account overdraft - consumer portfolio	—	—
Undrawn balance on credit card - consumer portfolio	—	—
Undrawn balance of line of credit and checking account overdraft - banking portfolio	—	—
Other commitments	—	—
Tertiary education loans in accordance with Law 20,027 (CAE)	—	—
Other irrevocable loan commitments	72,355,109	78,950,947
Other contingent loans	—	—
Total	12,890,794,715	11,986,791,159

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.26 – Contingencies and commitments (continued)

a.2) Liabilities that satisfy customer needs

	2022	2021
	ThCh\$	ThCh\$
Third party transactions		
Collections	174,238,055	152,297,642
Placement or sale of financial instruments	—	—
Transferred financial assets managed by the bank	—	—
Third-party resources managed by the bank	766,706,024	749,007,377
Subtotal	<u>940,944,079</u>	<u>901,305,019</u>
Securities custody		
Securities held by a banking subsidiary	5,593,924,154	5,232,546,222
Securities under Bank custody	3,646,535,916	2,459,320,588
Securities deposited in other entities	14,855,337,748	12,601,348,924
Instruments issued by the Bank	—	—
Subtotal	<u>24,095,797,818</u>	<u>20,293,215,734</u>
Total	<u>25,036,741,897</u>	<u>21,194,520,753</u>

b) Lawsuits and legal proceedings

b.1) Normal court contingencies for the industry

There are legal proceedings against the Bank with respect to its business as of the date of issuance of these consolidated financial statements. As of December 31, 2022, the Bank has provisions for legal contingencies of ThCh\$1,789,962 (ThCh\$ 473,284 as of December 31, 2021), which form part of "Provisions" in the statement of financial position.

The estimated completion dates of the respective lawsuits are as follows.

	December 31, 2022				
	2023	2024	2025	2026	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Legal contingencies	285,528	1,504,434	—	—	1,789,962

b.2) Contingencies for significant legal proceedings

As of December 31, 2022 and 2021, there are no significant legal proceedings that affect or could affect these consolidated financial statements.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.26 – Contingencies and commitments (continued)

c) Business guarantees

c.1) Subsidiary Banchile Administradora General de Fondos S.A.

In compliance with article 12 of Law 20,712, Banchile Administradora General de Fondos S.A., has designated Banco de Chile as the representative of the beneficiaries of the guarantees it has established and in that role the Bank has issued performance bonds totaling UF 4,153,500, maturing January 6, 2023 (UF 4,149,200, maturing January 7, 2022 in 2021). The company took out guarantee insurance policies for real estate funds with Mapfre Seguros Generales S.A., for a guaranteed total of UF 1,018,300.

As of December 31, 2022 and 2021, there were no guaranteed mutual funds.

c.2) Subsidiary Banchile Corredores de Bolsa S.A.

In order to ensure the correct and full compliance with all its obligations as a stockbroker in accordance with Article 30 onward of the Securities Market Law 18,045, Banchile Corredores de Bolsa S.A. contracted an insurance guarantee for UF 20,000 with Mapfre Seguros Generales S.A. that expires on April 22, 2024, whereby the Santiago Stock Exchange was appointed as the creditors' representative.

	2022		2021
	ThCh\$		ThCh\$
Securities in guarantee			
Shares in guarantee of simultaneous sales transactions on:			
(a) Santiago Exchange	15,840,050		38,279,114
(b) Chilean Electronic Exchange	10,323,292		12,839,280
Fixed-income securities to guarantee CCLV system:			
(c) Santiago Exchange	9,982,551		9,989,594
Fixed-income securities to guarantee equity short sales and hedging loans			
(d) Santiago Exchange	—		2,344,480
Shares to guarantee equity lending and short selling			
(e) Santiago Exchange	7,992,361		—
(f) Cash guarantees received for derivative transactions	743,450		1,722,512
(g) Collateral granted in cash for derivative transactions	1,443,053	(h)	3,197,552
Equity securities received for derivative transactions			
(i) Chilean Electronic Exchange	272,773		342,417
(j) Depósitos Central de Valores S.A.	1,362,720		1,726,103
Financial intermediation securities received for derivative transactions			
(k) Internal custody	238,369		—
Total	48,198,619		70,441,052

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.26 – Contingencies and commitments (continued)

c) Business guarantees (continued)

c.2) Subsidiary Banchile Corredores de Bolsa S.A. (continued)

The company has granted a pledge over one million shares of the Santiago Exchange in favor of that institution, as recorded in public deed dated September 13, 1990, signed before the Santiago public notary Mr. Raúl Perry Pefaur, and over one hundred thousand shares in the Chilean Electronic Exchange in favor of that institution, as recorded in a contract entered into by both parties on May 16, 1990, in accordance with the internal regulations of the stock exchanges in which it participates, and to guarantee that the broker operates correctly.

Banchile Corredores de Bolsa S.A. has an integral insurance policy with Chubb Seguros Chile S.A. expiring on May 2, 2023, that covers employee fidelity, physical losses, falsification or adulteration, and currency fraud with a cover of US\$20,000,000.

A performance bond for UF 309,200 was granted for the benefit of investors with portfolio management contracts. This performance bond is in UF for a fixed term and not endorsable, expiring on January 6, 2023.

A cash guarantee was granted for US\$ 122,494.32 to cover obligations contracted with Pershing, for operations made through this broker.

A performance bond for UF 10,000 has been created to guarantee compliance with the fund's investment portfolio management service agreement. This non-endorsable performance bond is in UF for a fixed term and expires on January 2, 2026.

c.3) Subsidiary Banchile Corredores de Seguros Ltda

In accordance with Article 58 letter D of D.F.L. 251 as of December 31, 2022 the entity has two insurance policies for the period April 15, 2022 to April 14, 2023 covering potential damages due to breaches of the law, regulations and complementary rules that regulate insurance brokers, and especially when non-compliance results from acts, mistakes or omissions of the brokers, its representatives, agents or dependents that participate in the broking.

The policies are as follows.

Insured item	Amount insured (UF)
Responsibility for errors and omissions	500
Civil liability	60,000

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.26 – Contingencies and commitments (continued)

- (d) In relation to Resolution 270 dated October 30, 2014, by which the Superintendency of Securities and Insurance (currently the Financial Market Commission) fined Banchile Corredores de Bolsa S.A. UF 50,000 for breaches of the second paragraph of Article 53 of Securities Market Law, the company filed an appeal with the Court requesting that this fine be waived. On December 10, 2019, a ruling was issued reducing the fine to UF 7,500. This sentence has been the subject of various appeals filed by both parties, which are pending before the Santiago Court of Appeals.

The company has not made any provision, as its legal advisors believe that there are solid arguments that support the appeal filed by Banchile Corredores de Bolsa S.A.

Note 40.27 – Interest income and expense

- (a) The interest summary for 2022 and 2021 is as follows:

	2022	2021
	ThCh\$	ThCh\$
Interest income	2,322,219,504	1,374,673,783
Interest expense	<u>(1,040,913,600)</u>	<u>(276,085,355)</u>
Net interest income	<u>1,281,305,904</u>	<u>1,098,588,428</u>

- (b) Interest income is detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Financial assets at amortized cost		
Rights under resale agreements and securities borrowing	4,142,209	1,756,454
Debt financial instruments	13,991,668	2,783,798
Loans and advances to banks	154,726,470	19,349,963
Commercial loans	1,044,287,849	625,342,057
Mortgage loans	319,749,892	279,927,109
Consumer loans	606,516,402	433,429,794
Other financial instruments	442,227	206,877
Financial assets at fair value through other comprehensive income		
Debt financial instruments	187,072,999	38,943,054
Other financial instruments	18,020,562	1,109,638
Interest rate risk hedge losses	<u>(26,730,774)</u>	<u>(28,174,961)</u>
Total	<u>2,322,219,504</u>	<u>1,374,673,783</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.27 – Interest income and expense (continued)

(b.1) As of December 31, 2022 and 2021, unrecognized interest is as follows.

	2022	2021
	ThCh\$	ThCh\$
Commercial loans	20,680,729	11,593,850
Mortgage loans	2,596,866	1,692,169
Consumer loans	3,493,828	862,220
Total	<u>26,771,423</u>	<u>14,148,239</u>

(b.2) Interest accrued on the impaired portfolio during 2022 and 2021 is as follows.

	2022	2021
	ThCh\$	ThCh\$
Commercial loans	750,010	1,046,468
Mortgage loans	1,415,024	984,608
Consumer loans	—	—
Total	<u>2,165,034</u>	<u>2,031,076</u>

(c) Interest expense is detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Financial liabilities at amortized cost		
Current accounts and other demand deposits	4,515,568	842,367
Savings accounts and time deposits	776,661,574	73,960,748
Obligations under repurchase agreements and securities lending	15,844,608	940,466
Borrowings from financial institutions	37,412,906	23,384,864
Debt financial instruments issued	210,391,839	175,543,045
Other financial obligations		
Contractual leasing liabilities	1,864,556	1,978,164
Regulatory capital financial instruments issued	31,271,106	29,388,859
Interest rate risk hedge losses	(37,048,557)	(29,953,158)
Total	<u>1,040,913,600</u>	<u>276,085,355</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.27 – Interest income and expense (continued)

- (d) As of December 31, 2022 and 2021, the Bank uses cross-currency and interest-rate swaps to hedge its position in the fair value of corporate bonds and commercial loans, and cross-currency swaps for hedging the risk of changes in obligation flows with banks abroad and bonds issued in foreign currency.

	2022			2021		
	Revenue ThCh\$	Expenses ThCh\$	Total ThCh\$	Revenue ThCh\$	Expenses ThCh\$	Total ThCh\$
Accounting hedge fair value gain	607,800	—	607,800	6,075,248	—	6,075,248
Accounting hedge fair value loss	(739,988)	—	(739,988)	(5,512,463)	—	(5,512,463)
Accounting cash flow hedge gain	72,354,435	112,323,326	184,677,761	192,589,762	234,985,666	427,575,428
Accounting cash flow hedge loss	(98,345,221)	(75,274,769)	(173,619,990)	(215,898,364)	(205,032,508)	(420,930,872)
Result adjustment hedged element	(607,800)	—	(607,800)	(5,429,144)	—	(5,429,144)
Total	(26,730,774)	37,048,557	10,317,783	(28,174,961)	29,953,158	1,778,197

Note 40.28 – Indexation income and expense

- (a) The summary of indexation income for 2022 and 2021 is as follows:

	2022 ThCh\$	2021 ThCh\$
Indexation income	2,115,717,913	993,501,227
Indexation expense	(1,159,838,147)	(538,356,278)
Net indexation income	955,879,766	455,144,949

- (b) Indexation income is detailed as follows.

	2022 ThCh\$	2021 ThCh\$
Financial assets at amortized cost		
Rights under resale agreements and securities borrowing	—	—
Debt financial instruments	68,107,220	15,242,734
Loans and advances to banks	—	—
Commercial loans	850,415,077	396,729,554
Mortgage loans	1,335,206,098	633,827,217
Consumer loans	6,963,847	4,216,310
Other financial instruments	5,237,504	1,768,288
Financial assets at fair value through other comprehensive income		
Debt financial instruments	70,845,289	24,469,291
Other financial instruments	—	—
Indexation hedge losses on movements in UF, PPI and CPI	(221,057,122)	(82,752,167)
Total	2,115,717,913	993,501,227

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.28 – Indexation income and expense (continued)

(b.1) As of December 31, 2022 and 2021, unrecognized indexation income as follows.

	2022	2021
	ThCh\$	ThCh\$
Commercial loans	4,255,993	2,395,282
Mortgage loans	7,061,069	2,200,116
Consumer loans	61,737	39,755
Total	<u>11,378,799</u>	<u>4,635,153</u>

(b.2) Indexation income accrued on the impaired portfolio during 2022 and 2021 is as follows.

	2022	2021
	ThCh\$	ThCh\$
Commercial loans	1,283,719	1,817,414
Mortgage loans	4,554,626	1,295,905
Consumer loans	698	28
Total	<u>5,839,043</u>	<u>3,113,347</u>

(c) Indexation expense is detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Financial liabilities at amortized cost		
Current accounts and other demand deposits	40,557,605	32,286,883
Savings accounts and time deposits	195,242,672	57,099,057
Obligations under repurchase agreements and securities lending	—	—
Borrowings from financial institutions	—	—
Debt financial instruments issued	803,863,832	391,499,965
Other financial obligations	—	—
Regulatory capital financial instruments issued	120,174,038	57,470,373
Indexation hedge losses on movements in UF, PPI and CPI	—	—
Total	<u>1,159,838,147</u>	<u>538,356,278</u>

(d) As of December 31, 2022 and 2021, the Bank uses cross-currency and interest-rate swaps to hedge its position in the fair value of corporate bonds and commercial loans, and cross-currency swaps for hedging the risk of changes in obligation flows with banks abroad and bonds issued in foreign currency.

	2022			2021		
	Revenue	Expenses	Total	Revenue	Expenses	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Accounting fair value hedge gain	—	—	—	—	—	—
Accounting fair value hedge loss	—	—	—	—	—	—
Accounting cash flow hedge gain	—	—	—	—	—	—
Accounting cash flow hedge loss	(221,057,122)	—	(221,057,122)	(82,752,167)	—	(82,752,167)
Result adjustment hedged element	—	—	—	—	—	—
Total	<u>(221,057,122)</u>	<u>—</u>	<u>(221,057,122)</u>	<u>(82,752,167)</u>	<u>—</u>	<u>(82,752,167)</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.29 – Fee income and expense

The fee income and expense shown in the consolidated income statements is as follows.

	2022	2021
	ThCh\$	ThCh\$
Fee income for services		
Credit card services	217,341,833	183,293,484
Management of mutual funds, investment funds or others	121,027,820	108,221,010
Collections, billing and payments	87,541,429	74,661,713
Account management	59,812,289	50,792,899
Insurance brokerage and advice	35,830,872	31,359,021
Guarantees and letters of credit	35,380,917	30,129,884
Distribution channels	27,135,296	30,127,761
Branding agreements	26,332,707	22,615,715
Securities brokerage and management	19,237,978	20,547,188
Loan prepayment fees	9,486,206	14,765,453
Financial advisory fees	8,934,912	4,597,931
Fees for lines of credit and checking account overdrafts	4,607,361	4,395,511
Insurance unrelated to granting loans to legal entities	4,197,407	5,594,893
Insurance related to granting loans to legal entities	1,706,239	1,103,495
Factoring services	1,394,349	1,328,413
Loans funded with mortgage bonds	211,973	431,040
Other fees	17,155,507	15,346,022
Total	677,335,095	599,311,433
Fee expenses for services		
Credit card services	49,222,519	43,831,488
Interbank transactions	41,011,898	31,368,303
Expenses for customer card loyalty and merit-based programs	34,323,588	31,661,576
License fees for using card brands	9,223,625	11,762,129
Securities transactions	5,599,107	6,138,443
Collections and payments	4,469,338	4,211,166
Fees for other services received	1,865,580	1,975,395
Total	145,715,655	130,948,500

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.30 – Net financial income

(a) Net financial income in the consolidated income statements is as follows.

	2022	2021
	ThCh\$	ThCh\$
Net financial income:		
Financial assets held for trading at fair value through profit and loss:		
Financial derivative contracts	5,182,011,195	2,832,150,519
Debt financial instruments	246,912,599	29,725,107
Other financial instruments	11,275,338	5,604,060
Financial liabilities held for trading at fair value through profit and loss:		
Financial derivative contracts	(5,177,460,038)	(2,688,127,691)
Other financial instruments	(782,540)	989,418
Subtotal	<u>261,956,554</u>	<u>180,341,413</u>
Non-trading financial assets obligatorily valued at fair value through profit or loss		
Debt financial instruments	—	—
Other financial instruments	—	—
Financial assets designated at fair value through profit and loss		
Debt financial instruments	—	—
Other financial instruments	—	—
Financial liabilities designated at fair value through profit and loss		
Current accounts, other demand deposits, savings accounts and time deposits	—	—
Debt instruments issued	—	—
Other	—	—
Derecognize financial assets and liabilities at amortized cost, and financial assets at fair value through other comprehensive income:		
Financial assets at amortized cost	1,630,643	4,702,357
Financial assets at fair value through other comprehensive income	(63,401,465)	1,243,701
Financial liabilities at amortized cost	(1,373)	—
Regulatory capital financial instruments issued	—	—
Subtotal	<u>(61,772,195)</u>	<u>5,946,058</u>
Exchange, indexation and accounting hedging of foreign currency:		
Foreign currency translation differences	144,079,502	(249,669,545)
Foreign currency fluctuations	490,746	15,131,124
Net gain (loss) on accounting hedges for foreign currency risks	(41,370,089)	199,207,973
Subtotal	<u>103,200,159</u>	<u>(35,330,448)</u>
Reclassifications of financial assets due to changes in business models:		
From financial assets at amortized cost, to financial assets held for trading at fair value through profit and loss	—	—
From financial assets at fair value through other comprehensive income, to financial assets held for trading at fair value through profit or loss	—	—
Changes to financial assets and liabilities:		
Financial assets at amortized cost	—	—
Financial assets at fair value through other comprehensive income	—	—
Financial liabilities at amortized cost	—	—
Contractual leasing liabilities	—	—
Regulatory capital financial instruments issued	—	—
Ineffective accounting hedges:		
Ineffective cash flow hedges	—	—
Ineffective net foreign investment hedges	—	—
Other accounting hedges:		
Other hedges over financial assets	—	—
Total	<u>303,384,518</u>	<u>150,957,023</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.30 – Net financial income (continued)

(b) The income and (expense) associated with movement in provisions for credit risk in foreign currency are as follows. These are reflected in the item "Exchange, indexation and accounting hedging of foreign currency":

	2022	2021
	ThCh\$	ThCh\$
Loans and advances to banks	33,905	(82,659)
Commercial loans	(197,038)	(15,072,027)
Mortgage loans	—	—
Consumer loans	16,550	(2,159,396)
Contingent loans	249,844	(2,040,938)
Total	<u>103,261</u>	<u>(19,355,020)</u>

Note 40.31 – Investments in other companies

The income (loss) from the investments in other companies described in Note No. 40.12 is as follows:

Company	Shareholder	2022	2021
		ThCh\$	ThCh\$
Associates			
Transbank S.A.	Banco de Chile	6,808,724	(3,253,519)
Centro de Compensación Automatizado S.A.	Banco de Chile	1,567,084	875,997
Administrador Financiero del Transantiago S.A.	Banco de Chile	804,295	385,093
Redbanc S.A.	Banco de Chile	652,447	538,975
Sociedad Interbancaria de Depósitos de Valores S.A.	Banco de Chile	404,306	314,880
Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A.	Banco de Chile	139,564	58,760
Sociedad Imerc OTC S.A.	Banco de Chile	107,517	32,188
Soc. Operadora de Tarjetas de Crédito Nexus S.A. (*)	Banco de Chile	—	1,404,869
Subtotal associates		<u>10,483,937</u>	<u>357,243</u>
Joint ventures			
Servipag Ltda.	Banco de Chile	1,866,173	831,026
Artikos Chile S.A.	Banco de Chile	680,658	605,614
Subtotal joint ventures		<u>2,546,831</u>	<u>1,436,640</u>
Minority investments			
Bolsa de Comercio de Santiago S.A.	Banchile Corredores de Bolsa	486,930	399,690
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Banco de Chile	50,249	45,853
Bolsa Electrónica de Chile S.A.	Banchile Corredores de Bolsa	11,961	—
CCLV Contraparte Central S.A.	Banchile Corredores de Bolsa	—	1,178
Subtotal minority investments		<u>549,140</u>	<u>446,721</u>
Total		<u>13,579,908</u>	<u>2,240,604</u>

(*) See Note 40.3c.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.32 – Income (loss) from non-current assets and disposable groups not qualifying as discontinued operations

	2022	2021
	ThCh\$	ThCh\$
Income (loss) on assets received in lieu of payment or awarded at judicial auction		
Income from sale of assets received in lieu of payment or awarded at judicial auction	8,039,384	5,415,904
Other income from assets received in lieu of payment or awarded at judicial auction	163,699	230,683
Net realizable value provisions on assets received in lieu of payment or awarded at judicial auction	(620,011)	(205,496)
Written-off assets received in lieu of payment or awarded at judicial auction	(6,838,141)	(1,873,435)
Maintenance expenses for assets received in lieu of payment or awarded at judicial auction	(1,076,706)	(812,694)
Non-current assets held for sale		
Investments in other companies	(434,521)	—
Intangible assets		
Property, plant and equipment	1,043,061	214,166
Recovery of assets under finance leases	1,727,319	1,139,951
Other assets	—	—
Disposable groups held for sale	—	—
Total	<u>2,004,084</u>	<u>4,109,079</u>

Note 40.33 – Other operating income and expenses

(a) Other operating income of the Bank and its subsidiaries during 2022 and 2021 is detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Indexation income on monthly tax prepayments	17,043,913	5,182,653
Net income from investment properties	6,765,236	6,069,186
Correspondent bank income	3,115,944	2,800,318
Recoverable expenses	1,977,633	1,334,534
Custody and trust services	135,091	261,278
Tax management income	116,476	3,117,046
Foreign trade income	75,139	55,511
Income from recoverable expenses	47,814	68,980
Other income	381,158	924,289
Total	<u>29,658,404</u>	<u>19,813,795</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.33 – Other operating income and expenses (continued)

(b) Other operating expenses of the Bank and its subsidiaries during 2022 and 2021 are detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Write-offs for operating risks	18,390,422	13,901,244
Finance lease credit expenses	4,787,220	242,243
Correspondent bank costs	3,321,770	2,614,042
Card administration	2,086,196	2,098,442
Legal expenses	1,571,982	356,941
Operational risk provisions	1,523,066	764,987
Tax penalties	402,418	4,673
Insurance premiums on renegotiated loans	351,463	415,952
Mortgage-protection insurance	257,525	233,021
Write-offs of recovered leased assets	130,291	583,495
Provisions for lawsuits and litigation	56,429	948
Contributions to other entities	9,895	256,537
Provision for transactions pending settlement	(197,114)	1,235,903
Expense recoveries on operational risk events	(6,050,150)	(4,010,263)
Other expenses	1,059,983	738,590
Total	27,701,396	19,436,755

Note 40.34 – Employee benefit expenses

Employee benefit expenses for 2022 and 2021 are detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Short-term employee benefits expense	491,698,090	427,434,634
Employee termination benefits expense	27,380,945	16,222,303
Training expenses	2,596,682	1,955,525
Daycare and preschool expenses	1,403,557	1,536,251
Other employee expenses	5,146,792	3,803,852
Total	528,226,066	450,952,565

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.35 – Administrative expenses

Administrative expenses are detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
General administrative expenses		
Data processing and communications	123,809,535	109,025,784
Maintenance and repair of property, plant and equipment	42,155,533	39,678,624
External professional and consultancy fees	15,265,992	16,818,041
Security services and armored transport	12,995,252	13,228,515
Office supplies	9,288,243	8,092,562
Insurance premiums, except to cover operational risk events	8,466,165	7,620,550
Lighting, heating and other services	5,305,951	4,444,820
External financial reporting and fraud prevention services	4,614,018	4,553,828
Post box, mail, packaging and courier services	4,371,390	4,718,238
External document custody services	3,846,217	3,094,473
Other expenses for lease liabilities	3,732,074	4,226,716
Legal and notary costs	3,731,994	4,307,731
Expenses for short-term leases	2,782,490	3,371,466
Employee travel and entertainment expenses	2,448,732	2,702,571
Fees for technical reports	799,618	729,385
External auditors fees for the financial statements	777,596	656,704
Low-value lease contract expenses	491,486	452,726
Fines imposed by other agencies	210,819	152,261
Other general administrative expenses	14,217,104	7,944,982
Subcontracted services		
Technology development, certification and testing services	17,938,438	17,525,865
Data processing	8,385,383	9,406,546
External credit assessment services	5,207,859	4,957,556
External human resources management and staffing services	1,437,807	1,107,768
External cleaning, meals, document custody, and furniture and equipment storage services	357,859	355,173
Call Center services for sales, marketing, and quality control over customer services	91,882	102,891
Board expenses		
Board of Directors remuneration	3,095,302	2,882,335
Other board expenses	102,372	22,470
Advertising	37,230,219	30,652,236
Income taxes, property taxes and other legal costs		
Contribution to regulator	13,566,291	11,967,706
Property taxes	4,727,207	4,851,633
Taxes other than income taxes	2,207,172	1,784,890
Municipal taxes	1,568,590	1,395,300
Other legal costs	46,986	44,523
Total	355,273,576	322,876,869

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.36 – Depreciation and amortization

Depreciation and amortization during 2022 and 2021 are detailed as follows.

	2022	2021
	ThCh\$	ThCh\$
Amortization of intangible assets		
Intangible assets generated from business combinations	—	—
Independently generated intangible assets	21,501,712	17,831,208
Depreciation of property, plant and equipment		
Buildings and land	9,227,601	8,894,640
Other property, plant and equipment	21,708,789	20,873,428
Amortization and depreciation of right-to-use leased assets		
Buildings and land	30,804,381	28,338,783
Other property, plant and equipment	—	—
Depreciation on leasehold improvements	962,769	860,459
Amortization of right to use other leased intangible assets	—	—
Depreciation of investment properties	—	—
Amortization of assets that produce income	—	—
Total	<u>84,205,252</u>	<u>76,798,518</u>

Note 40.37 – Impairment of non-financial assets

As of December 31, 2022 and 2021, impairment of non-financial assets is detailed as follows:

	2022	2021
	ThCh\$	ThCh\$
Impairment of intangible assets	122,484	1,646,996
Impairment of property, plant and equipment	9,511	43,479
Impairment of assets generating regular revenue from contracts with customers	<u>(54,872)</u>	<u>(268,072)</u>
Total	<u>77,123</u>	<u>1,422,403</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.38 – Credit loss expense

(a) This is as follows:

	2022 ThCh\$	2021 ThCh\$
Provisions for credit risk	326,948,003	210,026,263
Special provisions for credit risk	164,668,608	212,264,165
Impairment losses on financial assets at fair value through other comprehensive income	8,008,567	1,001,612
Recovery of written-off loans	<u>(64,508,158)</u>	<u>(66,226,509)</u>
Total	<u>435,117,020</u>	<u>357,065,531</u>

(b) Summary of credit loss expense:

	Credit loss expense for the year							Total ThCh\$
	Normal Portfolio Evaluation		Sub-standard Portfolio Evaluation	Default Portfolio Evaluation		Subtotal ThCh\$	FOGAPE COVID-19 Guarantee Deductible ThCh\$	
	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$			
As of December 31, 2022								
Loans and advances to banks								
Provisions established	276,263	—	—	—	—	276,263	—	276,263
Provisions released	—	—	—	—	—	—	—	—
Subtotal	<u>276,263</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>276,263</u>	<u>—</u>	<u>276,263</u>
Commercial loans								
Provisions established	3,728,196	—	16,363,921	28,165,064	61,459,375	109,716,556	—	109,716,556
Provisions released	—	(10,448,043)	—	—	—	(10,448,043)	(15,790,433)	(26,238,476)
Subtotal	<u>3,728,196</u>	<u>(10,448,043)</u>	<u>16,363,921</u>	<u>28,165,064</u>	<u>61,459,375</u>	<u>99,268,513</u>	<u>(15,790,433)</u>	<u>83,478,080</u>
Residential mortgage loans								
Provisions established	—	5,641,070	—	—	3,977,288	9,618,358	—	9,618,358
Provisions released	—	—	—	—	—	—	—	—
Subtotal	<u>—</u>	<u>5,641,070</u>	<u>—</u>	<u>—</u>	<u>3,977,288</u>	<u>9,618,358</u>	<u>—</u>	<u>9,618,358</u>
Consumer loans								
Provisions established	—	57,379,270	—	—	176,196,032	233,575,302	—	233,575,302
Provisions released	—	—	—	—	—	—	—	—
Subtotal	<u>—</u>	<u>57,379,270</u>	<u>—</u>	<u>—</u>	<u>176,196,032</u>	<u>233,575,302</u>	<u>—</u>	<u>233,575,302</u>
Credit loss expense (release)	<u>4,004,459</u>	<u>52,572,297</u>	<u>16,363,921</u>	<u>28,165,064</u>	<u>241,632,695</u>	<u>342,738,436</u>	<u>(15,790,433)</u>	<u>326,948,003</u>
Recovery of written-off loans								
Loans and advances to banks								—
Commercial loans								(26,312,967)
Mortgage loans								(10,239,757)
Consumer loans								<u>(27,955,434)</u>
Subtotal								<u>(64,508,158)</u>
Credit loss expense								<u>262,439,845</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.38 – Credit loss expense (continued)

(b) Summary of credit loss expense (continued)

	Credit loss expense for the year							Total ThCh\$
	Normal Portfolio Evaluation		Sub-standard Portfolio Evaluation	Default Portfolio Evaluation		Subtotal ThCh\$	FOGAPE COVID-19 Guarantee Deductible ThCh\$	
	Individual ThCh\$	Group ThCh\$	Individual ThCh\$	Individual ThCh\$	Group ThCh\$			
As of December 31, 2021								
Loans and advances to banks								
Provisions established	—	—	—	—	—	—	—	—
Provisions released	(229,529)	—	—	—	—	(229,529)	—	(229,529)
Subtotal	(229,529)	—	—	—	—	(229,529)	—	(229,529)
Commercial loans								
Provisions established	4,826,335	—	—	23,925,478	49,681,592	78,433,405	24,424,443	102,857,848
Provisions released	—	(24,817,071)	(457,217)	—	—	(25,274,288)	—	(25,274,288)
Subtotal	4,826,335	(24,817,071)	(457,217)	23,925,478	49,681,592	53,159,117	24,424,443	77,583,560
Residential mortgage loans								
Provisions established	—	—	—	—	11,765,069	11,765,069	—	11,765,069
Provisions released	—	(4,086,668)	—	—	—	(4,086,668)	—	(4,086,668)
Subtotal	—	(4,086,668)	—	—	11,765,069	7,678,401	—	7,678,401
Consumer loans								
Provisions established	—	—	—	—	130,203,086	130,203,086	—	130,203,086
Provisions released	—	(5,209,255)	—	—	—	(5,209,255)	—	(5,209,255)
Subtotal	—	(5,209,255)	—	—	130,203,086	124,993,831	—	124,993,831
Credit loss expense (release)	4,596,806	(34,112,994)	(457,217)	23,925,478	191,649,747	185,601,820	24,424,443	210,026,263
Recovery of written-off loans								
Loans and advances to banks								
Commercial loans								(14,646,569)
Mortgage loans								(7,355,546)
Consumer loans								(44,224,394)
Subtotal								(66,226,509)
Credit loss expense								143,799,754

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.38 – Credit loss expense (continued)

(c) Summary of special provisions for credit risk expense

	2022	2021
	ThCh\$	ThCh\$
Contingent provisions for credit risk expense (release)		
Loans and advances to banks	—	—
Commercial loans	6,577,782	1,743,256
Consumer loans	(2,709,944)	(11,367,791)
Country risk provision expense for transactions with debtors domiciled abroad	—	—
Special foreign loans provision expense	—	—
Additional provisions on loans expense	—	—
Commercial loans	160,000,000	220,000,000
Mortgage loans	—	—
Consumer loans	—	—
Other special loans provision expense	800,770	1,888,700
Total	<u>164,668,608</u>	<u>212,264,165</u>

Note 40.39 – Income (loss) from discontinued operations

As of December 31, 2022 and 2021, the Bank has no discontinued operations.

Note 40.40 – Related party disclosures

The Bank and its subsidiaries consider as related parties any individuals or legal entities who are related by ownership or management to the Bank, directly or through third parties, in accordance with the provisions of the Compendium of Accounting Standards and Chapter 124 of the Updated Compilation of Standards of the CMF.

Therefore, the Bank has defined related parties as individuals or legal entities having an interest either directly or through third parties in the ownership of the Bank that exceeds 5% of shares as well as persons without an ownership interest that have authority and responsibility in the planning, management and control of the Bank's activities or those of its subsidiaries. Companies are also considered related when their related parties have an interest in the Bank that exceeds 5%, or where they hold the position of Director, CEO or equivalent.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.40 – Related party disclosures (continued)

(a) Assets and liabilities for transactions with related parties

Assets and liabilities with related parties As of December 31, 2022	Related Party				Total ThCh\$
	Parent Company ThCh\$	Other Legal Entity ThCh\$	Senior Executives of the Consolidated Bank ThCh\$	Other Related Parties ThCh\$	
ASSETS					
Financial assets held for trading at fair value through profit and loss					
Financial derivative contracts	—	343,278,082	—	—	343,278,082
Debt financial instruments	—	—	—	—	—
Other financial instruments	—	3,354,382	—	—	3,354,382
Non-trading financial assets obligatorily valued at fair value through profit or loss	—	—	—	—	—
Financial assets designated at fair value through profit and loss	—	—	—	—	—
Financial assets at fair value through other comprehensive income	—	16,759,236	—	—	16,759,236
Financial derivative contracts for hedging purposes	—	—	—	—	—
Financial assets at amortized cost					
Rights under resale agreements and securities borrowing	—	—	—	—	—
Debt financial instruments	—	—	—	—	—
Commercial loans	—	609,154,995	1,384,250	12,024,410	622,563,655
Mortgage loans	—	—	15,221,007	58,607,837	73,828,844
Consumer loans	—	—	2,068,184	10,879,486	12,947,670
Provisions for credit risk created	—	(4,153,437)	(21,344)	(401,208)	(4,575,989)
Other property, plant and equipment	9,201	149,096,384	207	20,507	149,126,299
Contingent loans	—	177,834,473	4,118,637	17,871,611	199,824,721
LIABILITIES					
Financial liabilities held for trading at fair value through profit and loss					
Financial derivative contracts	—	400,984,283	—	—	400,984,283
Financial liabilities designated at fair value through profit and loss	—	—	—	—	—
Financial derivative contracts for hedging purposes	—	7,646,971	—	—	7,646,971
Financial liabilities at amortized cost					
Current accounts and other demand deposits	217,232	206,465,230	3,080,612	6,528,943	216,292,017
Savings accounts and time deposits	—	22,119	383,416	949,106	1,354,641
Repurchase agreement and securities lending payables	—	—	—	—	—
Borrowings from financial institutions	—	177,826,589	—	—	177,826,589
Debt financial instruments issued	—	—	—	—	—
Other financial obligations	—	—	—	—	—
Contractual leasing liabilities	—	11,251,957	—	—	11,251,957
Other liabilities	—	108,766,888	517,278	52,212	109,336,378

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.40 – Related party disclosures (continued)

(a) Assets and liabilities for transactions with related parties (continued)

Assets and liabilities with related parties As of December 31, 2021	Related Party				Total ThCh\$
	Parent Company ThCh\$	Other Legal Entity ThCh\$	Senior Executives of the Consolidated Bank ThCh\$	Other Related Parties ThCh\$	
ASSETS					
Financial assets held for trading at fair value through profit and loss					
Financial derivative contracts	—	319,120,060	—	—	319,120,060
Debt financial instruments	—	—	—	—	—
Other financial instruments	—	15,044,965	—	—	15,044,965
Non-trading financial assets obligatorily valued at fair value through profit or loss	—	—	—	—	—
Financial assets designated at fair value through profit and loss	—	—	—	—	—
Financial assets at fair value through other comprehensive income	—	—	—	—	—
Financial derivative contracts for hedging purposes	—	—	—	—	—
Financial assets at amortized cost					
Rights under resale agreements and securities borrowing	—	—	—	—	—
Debt financial instruments	—	—	—	—	—
Commercial loans	—	470,423,625	852,524	12,718,232	483,994,381
Mortgage loans	—	—	14,612,796	51,024,520	65,637,316
Consumer loans	—	—	1,862,028	8,798,450	10,660,478
Provisions for credit risk created	—	(3,795,384)	(16,223)	(415,621)	(4,227,228)
Other property, plant and equipment	7,874	106,137,373	164	40,273	106,185,684
Contingent loans	—	162,045,513	4,118,184	17,713,149	183,876,846
LIABILITIES					
Financial liabilities held for trading at fair value through profit and loss					
Financial derivative contracts	—	313,277,507	—	—	313,277,507
Financial liabilities designated at fair value through profit and loss	—	—	—	—	—
Financial derivative contracts for hedging purposes	—	607,800	—	—	607,800
Financial liabilities at amortized cost					
Current accounts and other demand deposits	254,184	209,799,134	7,403,151	7,218,696	224,675,165
Savings accounts and time deposits	19,836,428	196,912,956	2,310,597	19,346,833	238,406,814
Repurchase agreement and securities lending payables	—	—	—	—	—
Borrowings from financial institutions	—	122,883,218	—	—	122,883,218
Debt financial instruments issued	—	—	—	—	—
Other financial obligations	—	—	—	—	—
Contractual leasing liabilities	—	10,256,102	—	—	10,256,102
Other liabilities	—	93,742,525	483,220	17,887	94,243,632

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.40 – Related party disclosures (continued)

(b) Income and expenses for related party transactions (*):

As of December 31, 2022	Parent Company	Other Legal Entity	Senior Executives of the Consolidated Bank	Other Related Parties	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Interest income	—	23,467,188	423,615	2,087,255	25,978,058
Indexation income	—	25,559,837	1,958,456	7,649,061	35,167,354
Fee income	92,278	112,307,880	20,005	69,267	112,489,430
Net financial income	—	88,102,838	—	—	88,102,838
Other income	—	78,526	—	339	78,865
Total revenue	92,278	249,516,269	2,402,076	9,805,922	261,816,545
Interest expense	—	960,941	(1)	25	960,965
Indexation expense	—	161	12,480	26,756	39,397
Fee expense	—	35,947,645	—	—	35,947,645
Provisions for credit risk	—	241,664	(5,314)	31,251	267,601
Expenses for employee benefit obligations	—	173,445	32,873,674	71,524,015	104,571,134
Administrative expenses	—	22,253,570	3,603,478	119,552	25,976,600
Other expenses	—	10,067	2,556	14,502	27,125
Total expenses	—	59,587,493	36,486,873	71,716,101	167,790,467
As of December 31, 2021	Parent Company	Other Legal Entity	Senior Executives of the Consolidated Bank	Other Related Parties	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Interest income	—	7,300,314	359,751	1,730,104	9,390,169
Indexation income	—	5,291,182	953,490	3,786,574	10,031,246
Fee income	148,922	98,679,754	25,976	60,405	98,915,057
Net financial income	—	49,775,185	—	—	49,775,185
Other income	—	465,719	—	—	465,719
Total revenue	148,922	161,512,154	1,339,217	5,577,083	168,577,376
Interest expense	3,325	449,722	3,979	27,311	484,337
Indexation expense	—	7,454	—	26	7,480
Fee expense	—	29,813,273	—	—	29,813,273
Provisions for credit risk	—	1,658,518	(76)	74,201	1,732,643
Expenses for employee benefit obligations	—	6,308	26,100,170	67,097,785	93,204,263
Administrative expenses	—	20,770,999	3,325,286	77,567	24,173,852
Other expenses	—	31,947	899	4,496	37,342
Total expenses	3,325	52,738,221	29,430,258	67,281,386	149,453,190

(*) This does not constitute income from related party transactions as these related party assets are not necessarily equal to the liabilities and total income and expenses are reflected for each transaction and not those of matched transactions.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.40 – Related party disclosures (continued)

(c) Related party transactions

As of December 31, 2022

Company name	Relationship with the Bank	Service	Term	Renewal conditions	Equivalent transactions to those with mutual independence between the parties	Amount	Effect on income statement		Effect on statement of financial position	
							Revenue	Expenses	Receivables	Payables
						ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Ionix SpA	Other Related Parties	IT license services	30 days	According to the contract	Yes	440,416	—	440,416	—	31,514
		IT support services	30 days	According to the contract	Yes	334,076	—	334,076	—	—
Canal 13	Other Related Parties	Advertising services	30 days	Monthly	Yes	583,509	—	583,509	—	134,328
Servipag Ltda.	Joint venture	Software services	30 days	According to the contract	Yes	768,482	—	768,482	—	464,595
	Joint venture	Collection services	30 days	According to the contract	Yes	4,404,967	—	4,404,967	—	—
Santiago Exchange	Other related parties	IT support services	30 days	According to the contract	Yes	258,500	—	258,500	—	475
		Financial information service	30 days	According to the contract	Yes	334,557	—	334,557	—	—
		Brokerage fees	30 days	According to the contract	Yes	310,018	—	310,018	—	—
Enex S.A.	Other related parties	Leased ATM area	30 days	According to the contract	Yes	167,971	—	167,971	—	167,971
Redbank S.A.	Associates	Software development	30 days	According to the contract	Yes	399,411	—	399,411	—	1,222,885
		Electronic transaction management services	30 days	According to the contract	Yes	13,379,758	—	13,379,758	—	—
Sistemas Oracle de Chile Ltda.	Other related parties	Software services	30 days	According to the contract	Yes	6,028,920	—	6,028,920	—	2,280,712
		IT support services	30 days	According to the contract	Yes	2,872,658	—	2,872,658	—	—
Depósito Central de Valores Inmobiliaria e inversiones Capitolio S.A.	Associates	Custodial services	30 days	According to the contract	Yes	2,229,762	—	2,229,762	—	53,014
	Other related parties	Leased ATM area	30 days	According to the contract	Yes	81,567	—	81,567	—	—
Tagle y Compañía Limitada	Other related parties	Legal services	30 days	According to the contract	Yes	125,839	—	125,839	—	6,319
Manantial S.A	Other related parties	Materials and supplies	30 days	According to the contract	Yes	223,748	—	223,748	—	14,930
Radio difusión SpA	Other related parties	Advertising services	30 days	According to the contract	Yes	105,090	—	105,090	—	4,392
Nexus S.A.	Other related parties	Product deliveries to customers	30 days	According to the contract	Yes	1,185,118	—	1,185,118	—	1,679,027
		Card processing	30 days	According to the contract	Yes	11,178,386	—	11,178,386	—	—
		IT development services	30 days	According to the contract	Yes	1,565,047	—	1,565,047	—	—
		Packaging services	30 days	According to the contract	Yes	723,853	—	723,853	—	—
		Fraud prevention services	30 days	According to the contract	Yes	1,233,603	—	1,233,603	—	—
Artikos Chile S.A.	Joint venture	IT support services	30 days	According to the contract	Yes	421,250	—	421,250	—	17,451
		Computer services				340,451	—	340,451	—	—
DCV Registros S.A	Associates	Computer services	30 days	According to the contract	Yes	275,010	—	275,010	—	—
Soc. Operadora de la Cámara de Compensación	Associates	Collection services	30 days	According to the contract	Yes	588,031	—	588,031	—	55,600
Comder Contraparte Central S.A.	Associates	Armored transportation services	30 days	According to the contract	Yes	830,281	—	830,281	—	27,198,309
Bolsa Electrónica de Chile S.A.	Associates	Brokerage fees	30 days	According to the contract	Yes	153,219	—	153,219	—	418
Transbank S.A.	Associates	Processing fees	30 days	According to the contract	Yes	1,149,816	—	1,149,816	—	90,533
		Foreign exchange fees	30 days	According to the contract	Yes	94,489,150	94,489,150	—	408,721	—
Centro de Compensación Automatizado S.A.	Associates	Transfer services	30 days	According to the contract	Yes	2,339,743	—	2,339,743	—	378,264
Citibank	Other related parties	Connectivity business fees	Quarterly	According to the contract	Yes	10,582,626	10,582,626	—	12,043,148	—

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.40 – Related party disclosures (continued)

(d) Payments to the Board of Directors and Senior Executives of the Bank and its subsidiaries.

	2022	2021
	ThCh\$	ThCh\$
Board of Directors		
Director's remuneration and fees for the Bank and its subsidiaries	3,095,302	2,882,335
Senior Executives of the Bank and its subsidiaries		
Short-term employee benefits	31,224,460	25,875,894
Post-employment employee benefits	—	—
Long-term employee benefits	—	—
Employee termination benefits	1,649,214	224,276
Share-based payments to employees	—	—
Post-employment defined contribution plans	—	—
Post-employment defined benefit plans	—	—
Other employee benefits	—	—
Subtotal	<u>32,873,674</u>	<u>26,100,170</u>
Total	<u>35,968,976</u>	<u>28,982,505</u>

(e) Composition of the Board of Directors and Senior Executives of the Bank and its subsidiaries:

	2022	2021
	Number of Executives	
Board of Directors		
Directors of the Bank and its subsidiaries	19	18
Senior Executives of the Bank and its subsidiaries		
Chief Executive Officer - Bank	1	1
Chief Executive Officers - Subsidiaries	5	5
Division / Area Managers - Bank	93	95
Division / Area Managers - Subsidiaries	31	26
Subtotal	<u>130</u>	<u>127</u>
Total	<u>149</u>	<u>145</u>

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities

The Bank and its subsidiaries have developed a valuation and control framework to measure fair value.

This includes product control, which is independent of the business units and reports to the Divisional Manager for Financial Control and Productivity. The Financial Control, Treasury and Capital Department through the Financial Risk Control and Reporting Department is responsible for independently verifying the results of trading, investment and hedging transactions and all measurements of fair value.

The Bank and its subsidiaries take into account at least the following aspects in order to achieve suitable measurements and controls.

(i) Standard industry valuation.

The standard industry model is used to value financial instruments: quota value, share price, discounted cash flows and valuation of options using the Black-Scholes-Merton valuation model, as appropriate. The entry parameters for the valuation are rates, prices and volatility for various maturities and market factors that are traded on the domestic and international markets, and are provided by principal market sources.

(ii) Prices quoted on active markets.

The fair value of instruments quoted on active markets is determined using the daily quotations through electronic information systems (Santiago Stock Exchange, Bloomberg, LVA, Risk America, etc.). This represents the value at which these instruments are regularly traded in the financial markets.

(iii) Valuation techniques.

Should no specific quotations be available for the instrument to be valued, techniques will be used to determine its fair value.

As valuation models generally require the entry of market parameters, it is sought to maximize the information based on observable or derivative quotations of prices for similar instruments on active markets. Should there be no information directly from markets or information from external providers of information, similar instrument prices and historic information are used to validate the valuation parameters.

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(iv) Valuation adjustments.

Three adjustments apply to the market value calculated from market parameters during the valuation process. These are a liquidity adjustment, a Bid/Offer adjustment and a derivative credit risk adjustment (CVA and DVA). Furthermore, the portion of the fair value adjustment caused by counterparty credit risk impairment is calculated for certain fixed-income instruments held in investment portfolios.

The liquidity adjustment is calculated using the position of each factor together with the relative size of Banco de Chile with respect to the market and the liquidity observed in recent market operations. The Bid/Offer adjustment represents the impact on the valuation of an instrument depending on whether the position is long (bought) or short (sold). Direct market quotes or indicative prices or derivatives of similar assets are used to calculate this adjustment, depending on the instrument, considering the respective Bid, Mid and Offer. Finally, the CVA and DVA adjustment for derivatives is defined as recognizing the issuer's credit risk, either of the counterparty (CVA) or Banco de Chile (DVA). Similarly, credit risk impairment is based on the counterparty risk implicit in the market rate for that instrument.

Liquidity adjustments only affect trading instruments including derivatives, while Bid/Offer adjustments affect trading instruments and financial instruments at fair value through other comprehensive income. CVA/DVA adjustments only affect derivatives. Credit risk impairment is calculated for fixed income instruments at fair value through other comprehensive income (FVTOCI) and fixed income instruments at amortized cost that are held to maturity.

(v) Valuation controls.

Prices and rates are independently valued every day, in order to ensure that the market parameters Banco de Chile uses to value its financial instruments represent the present state of the market and the best estimate of fair value. The purpose is to check that the market parameters provided by the respective business areas and entered into the official valuation system are within acceptable ranges, by comparing them with the same combination of parameters prepared independently by the Financial Risk Control and Reporting Department. Differences in value are thus obtained by currency, product and portfolio. Should there be important differences, these are scaled according to their relevance, individual to each market factor and added at the portfolio level, according to the scaling tables within previously-defined ranges. These ranges are approved by the finance, international and financial risk committee.

At the same time and complementarily, the Financial Risk Control and Reporting Department prepares daily reports of gains and losses and exposure to market risks, which permit an adequate control and consistency with the parameters used in the valuation.

(vi) **Management analysis and information.**

In special cases where there are no market quotations for the instrument to be valued and there are no transaction prices for similar instruments or indicative parameters, a specific control and thorough analysis is used to produce the best estimate of the reasonable value of the transaction. Within the framework for the valuation described in the reasonable value policy and procedure approved by the Board of Banco de Chile, the approval required to execute transactions is established where there is no market information or it is impossible to infer prices or rates from them.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(a) Hierarchy of instruments valued at fair value

Banco de Chile and its subsidiaries classify their financial instruments as follows.

Level 1: Those financial instruments whose fair value is calculated from quoted prices (unadjusted) from liquid and extensive markets. There are observable quoted market prices for these instruments (internal rate of return, unit value, and price), so no assumptions are needed for their valuation.

This level includes currency forwards, fixed income instruments issued by the Chilean Central Bank and the Chilean Treasury that are included in benchmarks, investments in mutual funds and shares.

For instruments of the Chilean Central Bank and the Chilean Treasury, Level 1 includes all ticker codes belonging to a benchmark, i.e. that correspond to one of the following categories published by the Santiago Exchange: Pesos-02, Pesos-03, Pesos-04, Pesos-05, Pesos-07, Pesos-10, UF-02, UF-04, UF-05, UF-07, UF-10, UF-20, UF-30. A benchmark is a group of ticker codes that are similar in terms of maturity and are traded similarly, i.e. the price obtained (internal rate of return in this case) is the same for all instruments comprising a benchmark. These characteristics define a greater market depth, with daily quotations that permit classifying these instruments as Level 1.

In the case of government debt, the market internal rate of return is used to discount all cash flows to present value. In the case of mutual funds and shares, the current price per unit or share is used which, multiplied by the number of instruments, results in the fair value.

The above valuation technique is equivalent to that used by Santiago Exchange and is the standard methodology used in the market.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(vi) Management analysis and information (continued)

(a) Hierarchy of instruments valued at fair value (continued)

Level 2: These are financial instruments whose fair value is calculated on the basis of prices other than those quoted in Level 1 that are observable for the asset or liability, either directly (as internal prices or rates of return) or indirectly (derived from internal prices or rates of return for similar instruments). These categories include:

- a) Prices quoted for similar assets or liabilities in active markets.
- b) Prices quoted for similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices for the asset or liability.
- d) Inputs corroborated by the market.

This level mainly includes derivative instruments, debt issued by banks, debt issued by Chilean and foreign companies in Chile or abroad, mortgage-funding notes, financial trading instruments and some issuances by the Chilean Central Bank and the Treasury that are not included in benchmarks.

The valuation of derivatives will depend on whether these are affected by volatility as an important market factor in the standard valuation methodologies. The Black-Scholes-Merton model is used for options, while the discounted cash flow method is used for other derivatives, forwards and swaps.

The remaining instruments at this level and level 1 debt issuances are valued using the discounted cash flow method at an internal rate of return that can be derived or estimated from internal rates of return for similar instruments, as described above.

Should there be no observable price for a specific term, this is inferred from the interpolation between maturities that do have observable information in active markets. The models incorporate various market variables including the credit rating of the counterparties, exchange rates and interest-rate curves.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(vi) Management analysis and information (continued)

(a) Hierarchy of instruments valued at fair value (continued)

Valuation techniques and inputs for Level 2 instruments

Financial instrument	Valuation method	Description: Inputs and sources of information
Local bank and corporate bonds	Discounted cash flow method	Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market. The model is based on a base curve (central bank bonds) and an issuer spread. The model considers daily prices and similarities of risk/maturity ratios between instruments.
Offshore bank and corporate bonds		Prices are obtained from suppliers of external prices that are normally used in the Chilean market. The model is based on daily prices
Local Central Bank and Treasury bonds		Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market. The model is based on daily prices
Mortgage-funding notes		Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market. The model is based on a base curve (central bank bonds) and an issuer spread. The model considers daily prices and similarities of risk/maturity ratios between instruments.
Time deposits		Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market. The model considers daily prices and similarities of risk/maturity ratios between instruments.
Cross-currency swaps, interest-rate swaps, FX forwards, Inflation forwards	Black-Scholes model	Forward points, inflation forwards and local rate swaps are obtained from brokers, which are normally used in the Chilean market. Offshore rates and spreads are obtained from external suppliers of prices normally used in the Chilean market. Zero coupon rates are calculated using the Bootstrapping method on the swap rates.
FX options		Prices for the calculation of the surface of volatilities are obtained from brokers that are normally used in the Chilean market.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(vi) Management analysis and information (continued)

(a) Hierarchy of instruments valued at fair value (continued)

Level 3: These are financial instruments whose fair value is determined using unobservable inputs for the asset, liability or similar instruments. An adjustment of input that is significant for complete measurement can lead to a fair value measurement classified in Level 3 of the fair value hierarchy, if the adjustment uses significant unobservable input.

The instruments classified in Level 3 are mainly debt issuances of Chilean and foreign companies, made in Chile or abroad

Valuation techniques and inputs for Level 3 instruments

Financial instrument	Valuation method	Description: Inputs and sources of information
Local bank and corporate bonds	Discounted cash flow method	Entry data for these instruments is not observable in a market, so internal rates of return are modeled using a base rate (Central Bank Bonds) and the issuer's credit spread. This input (base rate and issuer spread) are provided daily by external price suppliers that are widely used in the Chilean market.
Offshore bank and corporate bonds		Entry data for these instruments is not observable in a market, so internal rates of return are modeled using a base rate (US-Libor) and the issuer's credit spread. This input (base rate and issuer spread) are provided daily by external price suppliers that are widely used in the Chilean market.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(vi) Management analysis and information (continued)

(a) Level table

The classification of financial instruments by level measured at fair value are as follows.

	Level 1		Level 2		Level 3		Total	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Financial Assets								
Financial assets held for trading at fair value through profit and loss								
Financial derivative contracts:								
Forwards	—	—	565,372,750	742,545,311	—	—	565,372,750	742,545,311
Swaps	—	—	2,389,577,045	1,958,241,897	—	—	2,389,577,045	1,958,241,897
Call options	—	—	2,321,327	4,509,465	—	—	2,321,327	4,509,465
Put options	—	—	2,758,342	199,340	—	—	2,758,342	199,340
Futures	—	—	—	—	—	—	—	—
Subtotal	—	—	2,960,029,464	2,705,496,013	—	—	2,960,029,464	2,705,496,013
Debt financial instruments:								
Instruments issued by the State and the Chilean Central Bank								
Central Bank	28,128,155	169,067,838	3,031,163,331	3,303,054,919	—	—	3,059,291,486	3,472,122,757
Debt financial instruments issued locally	—	—	273,934,184	214,336,880	100,519,129	51,484,182	374,453,313	265,821,062
Debt financial instruments issued abroad	—	—	—	—	—	—	—	—
Subtotal	28,128,155	169,067,838	3,305,097,515	3,517,391,799	100,519,129	51,484,182	3,433,744,799	3,737,943,819
Other	257,324,696	138,752,960	—	—	—	—	257,324,696	138,752,960
Financial assets at fair value through other comprehensive income								
Debt financial instruments: (1)								
Instruments issued by the State and the Chilean Central Bank								
Central Bank	552,763,470	507,367,887	1,706,092,950	1,981,482,131	—	—	2,258,856,420	2,488,850,018
Debt financial instruments issued locally	—	—	1,499,624,897	540,757,345	41,283,465	25,202,617	1,540,908,362	565,959,962
Debt financial instruments issued abroad	—	—	167,627,113	—	—	—	167,627,113	—
Subtotal	552,763,470	507,367,887	3,373,344,960	2,522,239,476	41,283,465	25,202,617	3,967,391,895	3,054,809,980
Financial derivative contracts for hedging purposes								
Forwards	—	—	—	—	—	—	—	—
Swaps	—	—	27,076,908	277,803,145	—	—	27,076,908	277,803,145
Call options	—	—	—	—	—	—	—	—
Put options	—	—	—	—	—	—	—	—
Futures	—	—	—	—	—	—	—	—
Subtotal	—	—	27,076,908	277,803,145	—	—	27,076,908	277,803,145
Total	838,216,321	815,188,685	9,665,548,847	9,022,930,433	141,802,594	76,686,799	10,645,567,762	9,914,805,917
Financial Liabilities								
Financial liabilities held for trading at fair value through profit and loss								
Financial derivative contracts:								
Forwards	—	—	535,642,669	505,179,317	—	—	535,642,669	505,179,317
Swaps	—	—	2,560,285,143	2,264,138,373	—	—	2,560,285,143	2,264,138,373
Call options	—	—	1,664,843	2,726,450	—	—	1,664,843	2,726,450
Put options	—	—	3,889,223	458,688	—	—	3,889,223	458,688
Futures	—	—	—	—	—	—	—	—
Subtotal	—	—	3,101,481,878	2,772,502,828	—	—	3,101,481,878	2,772,502,828
Other	—	—	6,271,026	9,610,355	—	—	6,271,026	9,610,355
Financial derivative contracts for hedging purposes								
Forwards	—	—	—	88,394	—	—	—	88,394
Swaps	—	—	223,015,559	607,800	—	—	223,015,559	607,800
Call options	—	—	—	—	—	—	—	—
Put options	—	—	—	—	—	—	—	—
Futures	—	—	—	—	—	—	—	—
Subtotal	—	—	223,015,559	696,194	—	—	223,015,559	696,194
Total	—	—	3,330,768,463	2,782,809,377	—	—	3,330,768,463	2,782,809,377

(1) As of December 31, 2022, all the instruments classified as Level 3 are investment grade. Also, all these financial instruments are from local issuers.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(b) Level 3 reconciliation

The following table shows the reconciliation between the opening and closing balances of instruments classified in Level 3, whose fair value is shown in the consolidated financial statements.

	December 2022							
	Balance as of Jan-01-22 ThCh\$	Gain (loss) recognized in net income (1) ThCh\$	Gain (loss) recognized in equity (2) ThCh\$	Purchases ThCh\$	Sales ThCh\$	Transfers from levels 1 and 2 ThCh\$	Transfers to levels 1 and 2 ThCh\$	Balance as of Dec-31-22 ThCh\$
Financial assets held for trading at fair value through profit and loss								
<u>Debt financial instruments:</u>								
Other debt financial instruments issued locally	51,484,182	902,145	—	111,960,304	(63,827,502)	—	—	100,519,129
Subtotal	51,484,182	902,145	—	111,960,304	(63,827,502)	—	—	100,519,129
Financial assets at fair value through other comprehensive income								
<u>Debt financial instruments:</u>								
Other debt financial instruments issued locally	25,202,617	(1,476,693)	4,921,258	25,044,735	(12,408,452)	—	—	41,283,465
Subtotal	25,202,617	(1,476,693)	4,921,258	25,044,735	(12,408,452)	—	—	41,283,465
Total	76,686,799	(574,548)	4,921,258	137,005,039	(76,235,954)	—	—	141,802,594

	December 2021							
	Balance as of Jan-01-21 ThCh\$	Gain (loss) recognized in net income (1) ThCh\$	Gain (loss) recognized in equity (2) ThCh\$	Purchases ThCh\$	Sales ThCh\$	Transfers from levels 1 and 2 ThCh\$	Transfers to levels 1 and 2 ThCh\$	Balance as of Dec-31-21 ThCh\$
Financial assets held for trading at fair value through profit and loss								
<u>Debt financial instruments:</u>								
Other debt financial instruments issued locally	5,494,439	(503,593)	—	42,484,411	(3,159,809)	7,168,734	—	51,484,182
Subtotal	5,494,439	(503,593)	—	42,484,411	(3,159,809)	7,168,734	—	51,484,182
Financial assets at fair value through other comprehensive income								
<u>Debt financial instruments:</u>								
Other debt financial instruments issued locally	36,596,210	1,083,126	(3,168,007)	10,211,995	(20,452,674)	6,398,816	(5,466,849)	25,202,617
Subtotal	36,596,210	1,083,126	(3,168,007)	10,211,995	(20,452,674)	6,398,816	(5,466,849)	25,202,617
Total	42,090,649	579,533	(3,168,007)	52,696,406	(23,612,483)	13,567,550	(5,466,849)	76,686,799

(1) Recorded in income under "Net financial income"

(2) Recorded in equity under "Accumulated other comprehensive income"

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(c) Sensitivity of instruments classified in Level 3 to changes in key model assumptions.

The following table shows the sensitivity as of December 31 of instruments classified in Level 3 to changes in the key valuation assumptions.

	As of December 31, 2022		As of December 31, 2021	
	Level 3 ThCh\$	Sensitivity to changes in key model assumptions ThCh\$	Level 3 ThCh\$	Sensitivity to changes in key model assumptions ThCh\$
Financial assets held for trading at fair value through profit and loss				
<u>Debt financial instruments:</u>				
Other debt financial instruments issued locally	100,519,129	(996,659)	51,484,182	(506,178)
Subtotal	100,519,129	(996,659)	51,484,182	(506,178)
Financial assets at fair value through other comprehensive income				
<u>Debt financial instruments:</u>				
Other debt financial instruments issued locally	41,283,465	(1,262,792)	25,202,617	(781,513)
Subtotal	41,283,465	(1,262,792)	25,202,617	(781,513)
Total	141,802,594	(2,259,451)	76,686,799	(1,287,691)

In order to measure the sensitivity of the financial investments to changes in relevant market factors, the Bank has made alternative calculations of fair value, changing those key parameters for the valuation which are not directly observable. The financial assets in the above table are bank and corporate bonds, and prices based on broker quotes or runs were used as inputs prices, as these instruments do not have observable prices. Prices are generally calculated as a base rate plus a spread. For domestic bonds, this was determined by applying a 10% impact on the price, while for offshore bonds this was determined by applying a 10% impact on the spread because the base rate is hedged with interest-rate swap instruments using hedge accounting. The impact of 10% is considered as a reasonable movement considering the market performance of these instruments and comparing it against the bid/offer adjustment that is provided for these instruments.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(d) Other assets and liabilities

The following table summarizes the fair values of the main financial assets and liabilities that are not recorded at fair value in the statement of financial position. The values shown in this note do not attempt to estimate the value of the Bank's income-generating assets, nor forecast their future behavior. The estimated fair value is as follows:

	Book value		Estimated fair value	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Assets				
Cash and due from banks	2,764,883,901	3,713,732,597	2,764,883,901	3,713,732,597
Transactions in the course of collection	772,195,964	486,699,986	772,195,964	486,699,986
Subtotal	3,537,079,865	4,200,432,583	3,537,079,865	4,200,432,583
Financial assets at amortized cost				
Rights under resale agreements and securities borrowing	54,061,245	64,365,192	54,061,245	64,365,192
Debt financial instruments	902,355,480	839,744,154	836,526,557	764,527,967
Loans and advances to banks				
Banks in Chile	—	159,960,172	—	159,960,172
Chilean Central Bank	1,801,100,000	1,090,000,000	1,801,100,000	1,090,000,000
Banks abroad	373,014,579	279,352,708	369,525,833	278,812,898
Subtotal	3,130,531,304	2,433,422,226	3,061,213,635	2,357,666,229
Customer loans and receivables				
Commercial loans	19,721,414,901	19,085,646,036	19,161,773,675	18,423,125,991
Mortgage loans	11,386,851,763	10,315,919,980	11,138,046,243	9,753,454,878
Consumer loans	4,658,050,602	3,978,079,993	4,608,040,682	3,899,940,202
Subtotal	35,766,317,266	33,379,646,009	34,907,860,600	32,076,521,071
Total	42,433,928,435	40,013,500,818	41,506,154,100	38,634,619,883
Liabilities				
Transactions in the course of payment	681,791,990	369,980,324	681,791,990	369,980,324
Financial liabilities at amortized cost				
Current accounts and other demand deposits	13,378,131,424	18,212,612,786	13,378,131,424	18,212,612,786
Savings accounts and time deposits	14,152,498,508	8,801,903,887	14,136,352,823	8,807,090,962
Payables from repurchase agreements and securities lending	216,263,788	85,399,071	216,263,788	85,399,071
Borrowings from financial institutions	5,397,675,856	4,861,866,021	4,844,427,350	4,325,868,510
Debt financial instruments issued				
Mortgage bonds for residential purposes	2,327,831	4,005,359	2,466,443	4,208,617
Mortgage bonds for general purposes	48,904	110,553	51,816	115,868
Ordinary bonds	9,265,570,316	8,557,278,734	9,030,442,761	8,397,835,356
Other financial obligations	344,030,071	250,004,509	363,808,723	274,837,872
Subtotal	42,756,546,698	40,773,180,920	41,971,945,128	40,107,969,042
Regulatory capital financial instruments issued				
Subordinated bonds	1,010,905,166	917,509,514	1,002,249,844	869,364,168
Total	44,449,243,854	42,060,670,758	44,449,243,854	41,347,313,534

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(d) Other assets and liabilities (continued)

Other financial assets and liabilities not measured to fair value but for which a fair value is estimated even when they are not managed based on that value, include assets and liabilities like placements, deposits and other term placements, debt instruments issued and other financial assets and obligations with different maturities and characteristics. The fair values of these assets and liabilities are calculated by applying the discounted cash flow model and using various data sources such as yield curves, credit risk spreads, etc. In addition, as some of these assets and liabilities are traded on the market, regular analyses and revisions are required to determine the suitability of the inputs and the resulting fair values.

(e) Levels of other assets and liabilities

The following table shows the estimated fair values of financial assets and liabilities not valued at fair value, as of December 31, 2022 and 2021.

	Level 1 Estimated fair value		Level 2 Estimated fair value		Level 3 Estimated fair value		Total Estimated fair value	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
Assets								
Cash and due from banks	2,764,883,901	3,713,732,597	—	—	—	—	2,764,883,901	3,713,732,597
Transactions in the course of collection	772,195,964	486,699,986	—	—	—	—	772,195,964	486,699,986
Subtotal	3,537,079,865	4,200,432,583	—	—	—	—	3,537,079,865	4,200,432,583
Financial assets at amortized cost								
Rights under resale agreements and securities borrowing	54,061,245	64,365,192	—	—	—	—	54,061,245	64,365,192
Debt financial instruments	836,526,557	764,527,967	—	—	—	—	836,526,557	764,527,967
Loans and advances to banks								
Banks in Chile	—	159,960,172	—	—	—	—	—	159,960,172
Chilean Central Bank	1,801,100,000	1,090,000,000	—	—	—	—	1,801,100,000	1,090,000,000
Banks abroad	—	—	—	—	369,525,833	278,812,898	369,525,833	278,812,898
Subtotal	2,691,687,802	2,078,853,331	—	—	369,525,833	278,812,898	3,061,213,635	2,357,666,229
Customer loans and receivables								
Commercial loans	—	—	—	—	19,161,773,675	18,423,125,991	19,161,773,675	18,423,125,991
Mortgage loans	—	—	—	—	11,138,046,243	9,753,454,878	11,138,046,243	9,753,454,878
Consumer loans	—	—	—	—	4,608,040,682	3,899,940,202	4,608,040,682	3,899,940,202
Subtotal	—	—	—	—	34,907,860,600	32,076,521,071	34,907,860,600	32,076,521,071
Total	6,228,767,667	6,279,285,914	—	—	35,277,386,433	32,355,333,969	41,506,154,100	38,634,619,883
Liabilities								
Transactions in the course of payment	681,791,990	369,980,324	—	—	—	—	681,791,990	369,980,324
Financial liabilities at amortized cost								
Current accounts and other demand deposit	13,378,131,424	18,212,612,786	—	—	—	—	13,378,131,424	18,212,612,786
Savings accounts and time deposits	—	—	—	—	14,136,352,823	8,807,090,962	14,136,352,823	8,807,090,962
Payables from repurchase agreements and securities lending	216,263,788	85,399,071	—	—	—	—	216,263,788	85,399,071
Borrowings from financial institutions	—	—	—	—	4,844,427,350	4,325,868,510	4,844,427,350	4,325,868,510
Debt financial instruments issued								
Mortgage bonds for residential purposes	—	—	2,466,443	4,208,617	—	—	2,466,443	4,208,617
Mortgage bonds for general purposes	—	—	51,816	115,868	—	—	51,816	115,868
Ordinary bonds	—	—	9,030,442,761	8,397,835,356	—	—	9,030,442,761	8,397,835,356
Other financial obligations	—	—	—	—	363,808,723	274,837,872	363,808,723	274,837,872
Subtotal	13,594,395,212	18,298,011,857	9,032,961,020	8,402,159,841	19,344,588,896	13,407,797,344	40,936,477,020	40,107,969,042
Regulatory capital financial instruments issued								
Subordinated bonds	—	—	—	—	1,002,249,844	869,364,168	1,002,249,844	869,364,168
Total	14,276,187,202	18,667,992,181	9,032,961,020	8,402,159,841	20,346,838,740	14,277,161,512	42,341,083,184	40,977,333,210

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.41 – Fair value of financial assets and liabilities (continued)

(f) Levels of other assets and liabilities (continued)

The Bank calculates the fair value of these assets and liabilities as follows:

- Short-term assets and liabilities: The book values of short-term assets and liabilities are assumed to be approximately equal to their fair values. This assumption is applied to the following assets and liabilities:

Assets

- Cash and due from banks
- Transactions in the course of collection
- Rights under resale agreements and securities borrowing
- Loans with Chilean banks

Liabilities

- Current accounts and other demand deposits
- Transactions in the course of payment
- Obligations under repurchase agreements and securities lending

- Customer loans and receivables and loans to foreign banks: Fair value is calculated using a discounted cash flow model and discount rates generated internally, based on internal transfer rates derived from the internal transfer pricing process. After calculating the present value, the provisions for loan losses are deducted, in order to incorporate the credit risk associated with each contract or loan. Due to the use of parameters generated internally, these instruments are classified at Level 3.
- Debt financial instruments at amortized cost: Fair value is calculated using the exchange's method, using the market IRR. Since the instruments in this category are Benchmark Treasury Bonds, they are classified as Level 1.
- Letters of credit and senior bonds: In order to calculate the present value of contractual cash flows, we apply a discounted cash flow model using interest rates that are available in the market, either for instruments with similar characteristics or that suit the valuation requirements, in terms of currency, maturity and liquidity. Interest rates are obtained from market price suppliers widely used by the market. As a result of the valuation technique and quality of inputs (observables) used for the valuation, these financial liabilities are classified at Level 2.
- Savings accounts, time deposits, bank obligations, subordinated bonds and other financial obligations: A discounted cash flow model is used to obtain the present value of committed cash flows, using a range of maturities and average discount rates derived from instruments with similar characteristics and internal transfer pricing process. Due to the use of internal parameters and/or critical judgments for valuation purposes, these financial liabilities are classified at Level 3.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.42 – Maturity of financial assets and liabilities by their remaining terms

The principal financial assets and liabilities grouped according to their remaining term, including accrued interest as of December 31, 2022 and 2021 are as follows. Instruments held for trading and financial instruments at fair value through other comprehensive income are valued at fair value.

	December 2022									
	On demand ThCh\$	Under 1 month ThCh\$	1 to 3 months ThCh\$	3 to 12 months ThCh\$	Subtotal under 1 year ThCh\$	1 to 3 years ThCh\$	3 to 5 years ThCh\$	Over 5 years ThCh\$	Subtotal over 1 year ThCh\$	Total ThCh\$
Assets										
Cash and due from banks	2,764,883,901	—	—	—	2,764,883,901	—	—	—	—	2,764,883,901
Transactions in the course of collection	—	772,195,964	—	—	772,195,964	—	—	—	—	772,195,964
Financial assets held for trading at fair value through profit and loss										
Financial derivative contracts	—	174,943,503	243,090,898	637,829,981	1,055,864,382	701,848,205	415,817,206	786,499,671	1,904,165,082	2,960,029,464
Debt financial instruments	—	3,433,744,799	—	—	3,433,744,799	—	—	—	—	3,433,744,799
Other	—	257,324,696	—	—	257,324,696	—	—	—	—	257,324,696
Financial assets at fair value through other comprehensive income	—	71,345,010	231,924,564	2,143,837,569	2,447,107,143	718,240,795	80,008,485	722,035,472	1,520,284,752	3,967,391,895
Derivative contracts for hedging purposes	—	—	—	15,863,451	15,863,451	442,979	8,051,941	2,718,537	11,213,457	27,076,908
Financial assets at amortized cost										
Rights under resale agreements and securities borrowing	—	35,548,913	14,324,313	4,188,019	54,061,245	—	—	—	—	54,061,245
Debt financial instruments	—	—	—	—	—	16,279,594	445,624,397	440,451,489	902,355,480	902,355,480
Loans to banks (*)	—	1,904,367,506	63,395,938	207,028,926	2,174,792,370	—	—	—	—	2,174,792,370
Customer loans and receivables (*)	—	4,940,664,555	2,937,024,096	6,830,833,681	14,708,522,332	7,403,767,873	3,752,729,708	10,829,784,078	21,986,281,659	36,694,803,991
Total financial assets	2,764,883,901	11,590,134,946	3,489,759,809	9,839,581,627	27,684,360,283	8,840,579,446	4,702,231,737	12,781,489,247	26,324,300,430	54,008,660,713
	December 2022									
Liabilities										
Transactions in the course of payment	—	681,791,990	—	—	681,791,990	—	—	—	—	681,791,990
Financial liabilities held for trading at fair value through profit and loss										
Financial derivative contracts	—	167,935,962	222,880,084	588,342,268	979,158,314	692,759,387	465,828,163	963,736,014	2,122,323,564	3,101,481,878
Other	—	4,354,745	1,916,281	—	6,271,026	—	—	—	—	6,271,026
Financial derivative contracts for hedging purposes	—	—	—	1,461,129	1,461,129	20,240,058	15,639,257	185,675,115	221,554,430	223,015,559
Financial liabilities at amortized cost										
Current accounts and other demand deposits	13,378,131,424	—	—	—	13,378,131,424	—	—	—	—	13,378,131,424
Savings accounts and time deposits (**)	—	9,342,195,562	2,962,616,639	1,319,445,276	13,624,257,477	113,901,032	5,939,583	655,178	120,495,793	13,749,395,593
Obligations under repurchase agreements and securities lending	—	216,211,911	51,877	—	216,263,788	—	—	—	—	216,263,788
Borrowings from financial institutions	—	289,675,215	84,391,035	675,088,817	1,049,155,067	4,348,520,789	—	—	4,348,520,789	5,397,675,856
Debt financial instruments issued										
Mortgage bonds	—	337,290	364,190	528,236	1,229,716	743,821	39,395	363,803	1,147,019	2,376,735
Ordinary bonds	—	38,469,393	173,247,505	1,248,410,317	1,460,127,215	1,895,121,280	2,282,247,835	3,628,073,986	7,805,443,101	9,265,570,316
Other financial obligations	—	343,942,909	10,570	54,285	344,007,764	22,307	—	—	22,307	344,030,071
Contractual leasing liabilities	—	2,618,537	7,644,169	17,352,579	27,615,285	27,634,050	15,009,381	19,110,594	61,754,025	89,369,310
Regulatory capital financial instruments issued	—	1,153,916	—	117,261,792	118,415,708	20,156,974	12,344,651	859,987,833	892,489,458	1,010,905,166
Total financial liabilities	13,378,131,424	11,088,687,430	3,453,122,350	3,967,944,699	31,887,885,903	7,119,099,698	2,797,048,265	5,657,602,523	15,573,750,486	47,461,636,389
Mismatch	(10,618,318,913)	501,447,516	36,637,459	5,871,636,928	(4,208,597,010)	1,721,479,748	1,905,183,472	7,123,886,724	10,750,549,944	6,541,952,934

(*) These balances are shown without deducting the respective provisions, which amount to ThCh\$778,391,134 for customer loans and receivables and ThCh\$677,791 for loans to banks.

(**) Excludes term savings accounts totaling ThCh\$407,745,238

Notes to the Consolidated Financial Statements

(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.42 – Maturity of financial assets and liabilities by their remaining terms (continued)

	December 2021									
	On demand ThCh\$	Under 1 month ThCh\$	1 to 3 months ThCh\$	3 to 12 months ThCh\$	Subtotal under 1 year ThCh\$	1 to 3 years ThCh\$	3 to 5 years ThCh\$	Over 5 years ThCh\$	Subtotal over 1 year ThCh\$	Total ThCh\$
Assets										
Cash and due from banks	3,713,732,597	—	—	—	3,713,732,597	—	—	—	—	3,713,732,597
Transactions in the course of collection	—	486,699,986	—	—	486,699,986	—	—	—	—	486,699,986
Financial assets held for trading at fair value through profit and loss										
Financial derivative contracts	—	81,337,400	235,071,162	702,581,169	1,018,989,731	590,575,482	394,784,711	701,146,089	1,686,506,282	2,705,496,013
Debt financial instruments	—	3,737,943,819	—	—	3,737,943,819	—	—	—	—	3,737,943,819
Other	—	138,752,960	—	—	138,752,960	—	—	—	—	138,752,960
Financial assets at fair value through other comprehensive income	—	92,655,307	475,406,003	1,008,857,980	1,576,919,290	836,880,314	124,379,642	516,630,734	1,477,890,690	3,054,809,980
Financial derivative contracts for hedging purposes	—	—	—	961,521	961,521	61,034,935	5,680,904	210,125,785	276,841,624	277,803,145
Financial assets at amortized cost										
Repurchase agreements and securities lending rights	—	37,763,007	14,012,917	12,589,268	64,365,192	—	—	—	—	64,365,192
Debt financial instruments	—	—	—	—	—	—	413,599,341	426,144,813	839,744,154	839,744,154
Loans to banks (*)	—	1,366,331,461	81,052,540	81,456,822	1,528,840,823	990,345	—	—	990,345	1,529,831,168
Customer loans and receivables (*)	—	3,566,965,238	2,492,112,872	6,415,681,065	12,474,759,175	7,627,207,221	4,002,539,123	10,125,611,224	21,755,357,568	34,230,116,743
Total financial assets	<u>3,713,732,597</u>	<u>9,508,449,178</u>	<u>3,297,655,494</u>	<u>8,222,127,825</u>	<u>24,741,965,094</u>	<u>9,116,688,297</u>	<u>4,940,983,721</u>	<u>11,979,658,645</u>	<u>26,037,330,663</u>	<u>50,779,295,757</u>
	December 2021									
	On demand ThCh\$	Under 1 month ThCh\$	1 to 3 months ThCh\$	3 to 12 months ThCh\$	Subtotal under 1 year ThCh\$	1 to 3 years ThCh\$	3 to 5 years ThCh\$	Over 5 years ThCh\$	Subtotal over 1 year ThCh\$	Total ThCh\$
Liabilities										
Transactions in the course of payment	—	369,980,324	—	—	369,980,324	—	—	—	—	369,980,324
Financial liabilities held for trading at fair value through profit and loss										
Financial derivative contracts	—	34,653,021	226,057,354	712,582,545	973,292,920	644,452,211	399,499,492	755,258,205	1,799,209,908	2,772,502,828
Other	—	2,320,255	3,952	7,286,148	9,610,355	—	—	—	—	9,610,355
Financial derivative contracts for hedging purposes	—	—	—	696,194	696,194	—	—	—	—	696,194
Financial liabilities at amortized cost										
Current accounts and other demand deposits	18,249,830,514	—	—	—	18,249,830,514	—	—	—	—	18,249,830,514
Savings accounts and time deposits (**)	—	6,302,884,385	1,748,177,897	234,674,712	8,285,736,994	65,551,852	1,906,020	452,189	67,910,061	8,353,647,055
Repurchase agreement and securities lending payables	—	85,347,462	—	51,609	85,399,071	—	—	—	—	85,399,071
Borrowings from financial institutions	—	196,093,424	1,259,282,308	18,344,485	1,473,720,217	3,388,145,804	—	—	3,388,145,804	4,861,866,021
Debt financial instruments issued										
Mortgage bonds	—	528,730	543,825	1,065,890	2,138,445	1,424,818	184,820	367,829	1,977,467	4,115,912
Ordinary bonds	—	139,873,867	374,532,130	848,923,737	1,363,329,734	1,933,283,591	1,784,605,972	3,476,059,437	7,193,949,000	8,557,278,734
Other financial obligations	—	249,799,498	25,452	89,630	249,914,580	89,929	—	—	89,929	250,004,509
Contractual leasing liabilities	—	2,310,786	6,586,482	17,502,340	26,399,608	29,056,296	16,448,937	23,765,319	69,270,552	95,670,160
Regulatory capital financial instruments issued	—	4,226,464	1,390,342	112,859,150	118,475,956	19,978,501	15,854,029	763,201,028	799,033,558	917,509,514
Total financial liabilities	<u>18,249,830,514</u>	<u>7,388,018,216</u>	<u>3,616,599,742</u>	<u>1,954,076,440</u>	<u>31,208,524,912</u>	<u>6,081,983,002</u>	<u>2,218,499,270</u>	<u>5,019,104,007</u>	<u>13,319,586,279</u>	<u>44,528,111,191</u>
Mismatch	<u>(14,536,097,917)</u>	<u>2,120,430,962</u>	<u>(318,944,248)</u>	<u>6,268,051,385</u>	<u>(6,466,559,818)</u>	<u>3,034,705,295</u>	<u>2,722,484,451</u>	<u>6,960,554,638</u>	<u>12,717,744,384</u>	<u>6,251,184,566</u>

(*) These balances are shown without deducting the respective provisions, which amount to ThCh\$718,248,875 for customer loans and receivables and ThCh\$518,288 for loans to banks.

(**) Excludes term savings accounts totaling ThCh\$448,256,832.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.43 – Financial and non-financial assets and liabilities by currency

As of December 31, 2022	Chilean peso ThCh\$	UF ThCh\$	Indexed exchange rate ThCh\$	US dollar ThCh\$	Colombian peso ThCh\$	Pound sterling ThCh\$	Euro ThCh\$	Swiss franc ThCh\$	Japanese yen ThCh\$	Chinese yuan ThCh\$	Other ThCh\$	Total ThCh\$
Assets												
Financial assets	27,002,194,666	19,512,398,591	118,264,692	6,164,921,861	—	40,692,902	191,525,388	2,645,632	13,243,110	14,491,310	19,114,622	53,079,492,774
Non-financial assets	1,676,512,488	25,186,730	4,625,500	318,509,211	—	23,259	911,082	34	412	330	759	2,025,769,805
Total assets	28,678,707,154	19,537,585,321	122,890,192	6,483,431,072	—	40,716,161	192,436,470	2,645,666	13,243,522	14,491,640	19,115,381	55,105,262,579
Liabilities												
Financial liabilities	29,120,058,360	10,283,890,387	232,593	6,624,180,686	—	23,465,288	237,470,198	364,359,022	194,284,714	3,485,337	751,216,499	47,602,643,084
Non-financial liabilities	1,981,735,639	209,270,412	355,047	323,995,658	—	28,411	2,106,045	56,205	36,998	117,248	207,465	2,517,909,128
Total liabilities	31,101,793,999	10,493,160,799	587,640	6,948,176,344	—	23,493,699	239,576,243	364,415,227	194,321,712	3,602,585	751,423,964	50,120,552,212
Financial assets and liabilities mismatch (*)	(2,117,863,694)	9,106,797,285	118,032,099	(459,258,825)	—	17,227,614	(45,944,810)	(361,713,390)	(181,041,604)	11,005,973	(732,101,877)	5,355,138,771

(*) This value does not include non-financial assets and liabilities and the notional values of derivative instruments, as these are disclosed at fair value.

As of December 31, 2021	Chilean peso ThCh\$	UF ThCh\$	Indexed exchange rate ThCh\$	US dollar ThCh\$	Colombian peso ThCh\$	Pound sterling ThCh\$	Euro ThCh\$	Swiss franc ThCh\$	Japanese yen ThCh\$	Chinese yuan ThCh\$	Other ThCh\$	Total ThCh\$
Assets												
Financial assets	25,677,125,437	17,913,626,825	87,676,786	6,005,309,880	—	21,664,823	145,617,862	26,853,729	16,869,091	20,818,740	12,733,842	49,928,297,015
Non-financial assets	1,374,626,830	14,871,472	1,113,288	306,477,878	—	30,264	674,987	—	—	—	1,937	1,697,796,656
Total assets	27,051,752,267	17,928,498,297	88,790,074	6,311,787,758	—	21,695,087	146,292,849	26,853,729	16,869,091	20,818,740	12,735,779	51,626,093,671
Liabilities												
Financial liabilities	28,966,760,261	7,810,942,834	11,094	6,415,807,996	—	10,483,373	219,931,494	368,283,739	265,651,949	3,136,873	712,025,804	44,773,035,417
Non-financial liabilities	1,802,562,383	285,682,798	—	393,737,013	—	981	2,944,330	935	1,448	1,601,316	42,917	2,486,574,121
Total liabilities	30,769,322,644	8,096,625,632	11,094	6,809,545,009	—	10,484,354	222,875,824	368,284,674	265,653,397	4,738,189	712,068,721	47,259,609,538
Financial assets and liabilities mismatch (*)	(3,289,634,824)	10,031,582,965	87,665,692	(410,498,116)	—	11,181,450	(74,313,632)	(341,430,010)	(248,782,858)	17,681,867	(699,291,962)	5,084,160,572

(*) This value does not include non-financial assets and liabilities and the notional values of derivative instruments, as these are disclosed at fair value.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management

(1) Introduction

Banco de Chile's risk profile ensures sustainable growth and is aligned with its strategic objectives, in order to maximize value creation and guarantee its long-term solvency.

Risk management policies identify and analyze the Bank's risks, set suitable risk limits, warnings and controls, monitor risks and compliance with limits and warnings, in order to implement action plans where necessary. The Bank ensures a disciplined and constructive control environment, through its management regulations and procedures. Risk management policies, standards, procedures and systems are regularly reviewed.

The Bank has teams with extensive experience and knowledge in every matter related to risk, who ensure that these are carefully managed by the Bank and its subsidiaries.

(a) Risk management structure

Credit, market and operational risk management takes place at all levels of the organization, with a corporate governance structure that recognizes its importance and all the various types of risk.

The Board of Directors of Banco de Chile is responsible for establishing policies, the risk appetite framework and guidelines for developing, validating and monitoring models. It approves the provisioning models, the additional provisions policy and ensures that provisions are sufficient every year. It ratifies the strategies, policies, functional structure and integrated operational risk management model. It guarantees that this model is aligned with the Bank's strategy and ensures that it is appropriately implemented throughout the organization. It establishes Risk Control Policy at Subsidiaries and describes the Bank's supervision of its subsidiaries, in order to monitor their risks. Management is responsible for defining associated standards and procedures, then monitoring compliance with the instructions issued by the Board of Directors. They ensure that the criteria applied by the Bank and its subsidiaries are consistently applied, and carefully coordinate corporate reporting to the Board of Directors where required.

The Bank's Corporate Governance is actively driven by the Board of Directors, both directly and through various committees composed of Directors and Senior Executives. Banco de Chile's Board of Directors is continually informed of risk developments through its Finance, International and Financial Risk, Credit Risk, Portfolio Risk and Superior Operational Risk Committees, which review the status of credit, market and operational risks. These committees are described in the following paragraphs.

Risk is managed jointly by the Wholesale Credit Risk Division, the Retail Credit Risk and Overall Risk Control Division and the Cyber-security Division, which constitute the corporate risk governance structure. They have highly experienced and specialized teams and a robust regulatory framework, which ensures that they can optimally and effectively manage these issues.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

The Wholesale Credit Risk Division and the Retail Credit Risk and Global Risk Control Division are responsible for credit risk during the origination, monitoring and recovery phases for each business segment. The Wholesale Credit Risk Division instructs the Market Risk Department who measures, limits, checks and reports on this risk, as well as defining valuation standards and asset and liability management standards.

The Origination Area of the Retail Credit Risk and Global Risk Control Division prepares the regulatory framework for credit risk issues, and the Risk Models Area prepares the methods related to credit risk. Model monitoring, validation and model risk management are carried out by the respective departments in this Division, which safeguards independence.

This Division also has Operational Risk and Business Continuity Departments that manage policies, standards and procedures, and ensures their compliance within the Bank and its subsidiaries. The Operational Risk Department is responsible for ensuring that operational risks are efficiently identified and managed, for promoting a risk awareness culture to prevent financial losses and improve process quality, and for proposing continuous improvements to risk management that are aligned with business objectives. The Business Continuity Department manages the business continuity strategy for the Bank's operational and technological departments. It prepares alternative operation plans and conducts controlled tests, to reduce the impact of disruptive events that may affect the organization. The Operational Risk and Business Continuity methods, controls and scopes apply to Banco de Chile and are replicated in its subsidiaries. This guarantees their standardization in line with the bank's overall management model.

The Cybersecurity Division is responsible for defining, implementing and reporting on progress with the Strategic Cybersecurity Plan, which is aligned with the bank's business strategy. It focuses on protecting internal, customer and employee information.

This Division is composed of the Cyber-security Engineering, the Cyber-defense, and the Strategic Management Departments. The Technological Risk and the Cyber-security Departments have been established as control units. Section 5 of this Note describes the responsibilities of these departments.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

(ii) Finance, International and Financial Risk Committee

Its purpose is to design policies and procedures related to price and liquidity risk; design a structure of limits and warnings for financial exposures, review the risk appetite framework proposed to the Board, and ensure that these are correctly and promptly measured, monitored and reported; monitor financial exposures and risks; analyze the impact on transaction values and/or results due to potential adverse movements in the values of market variables or liquidity restrictions; review stress test assumptions and establish action plans when appropriate; ensure that independent units value financial positions, and analyze the results of these financial positions; review and approve integrated risk measurements with respect to market and liquidity risks; monitor the international financial exposure within liabilities; review the main credit exposure within Treasury products (derivatives and bonds); ensure that price and liquidity risk management guidelines in subsidiaries are consistent with those of the Bank and review the evolution of their main financial risks.

The Finance, International and Financial Risk Committee meets every month and comprises the Chairman of the Board, four directors or Board advisors, the Chief Executive Officer, and the managers of the Financial Management, Control and Productivity Division, the Wholesale Credit Risk Division, the Treasury Division and the Market Risk Department. The Committee may also invite certain people to take part in one or more meetings on a continual or occasional basis.

(iii) Credit committees

The credit approval process is controlled by various credit committees composed of trained professionals with sufficient authority to make decisions.

Each committee defines the terms and conditions under which the Bank accepts counterparty risks and the Wholesale Credit Risk Division and the Retail Credit Risk and Global Credit Risk Division participate independently of the commercial areas. Their membership is based on commercial segment requirements and approval limits. They meet at various frequencies.

The Directors' Credit Committee is the highest authority within the Bank's risk management structure. It meets every week and is comprised of the Chairman of the Board and all standing and alternate directors, the CEO and the Wholesale Credit Risk Division Manager. It analyzes and approves all credit transactions equal to or greater than UF 750,000 for customers and economic groups. It is also responsible for analyzing and resolving all credit transactions that must be approved by this Committee, in accordance with the Bank's internal regulations, except for any special authority delegated by the Board to Management.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

(iv) Portfolio Risk Committee

Its main function is to understand changes in the composition, concentration and risk of the loan portfolio of the banks and segments, covering the complete cycle of loan risk management, including the loan origination, monitoring and recovery processes. It reviews the main debtors and the portfolio risk indicators and proposes differentiated management strategies. It approves and proposes credit risk policies to the Board. It is responsible for reviewing, approving and recommending to the Board of Directors for their final approval, the portfolio evaluation methods and provision models. It is also responsible for reviewing and analyzing the sufficiency of provisions for the banking divisions and segments. It reviews the guidelines and progress with the development of internal credit risk models, along with monitoring concentration by sectors and segments according to the sectoral limits policy. It reviews and approves the integrated risk measurements and credit risk appetite framework for credit risks. It ensures that they are approved by the Board of Directors. It selects the metrics for the risk appetite framework and their acceptable limits. It verifies that the credit risk policies at subsidiaries are consistent with those of the Bank. It monitors them and reviews how credit risk is managed by subsidiaries. It generally investigates and analyzes any relevant aspect of credit risk in Banco de Chile's portfolio.

The Portfolio Risk Committee meets monthly and is composed of the Chairman of the Board, two directors or alternates, the Chief Executive Officer, the Wholesale Credit Risk Division Manager, the Retail Credit Risk and Global Risk Control Division Manager, the Commercial Division Manager and the Risk Management Control and Reporting Manager.

(iv) Internal Modeling Technical Oversight Committee

The main function of this Committee is to provide methodological guidelines to develop, monitor and document the mathematical models used in the retail segments for credit risk management, such as management models covering origination, monitoring, collection and rating, and regulatory models covering capital and specific provisions for credit or additional risk under local or international standards. The Committee may exceptionally evaluate alternative methods, other than credit risk methods, at the request of the Chairman of the Committee.

The Committee selects the main criteria and guidelines to construct new models; it reviews and approves methods associated with non-regulatory models, such as origination and collection, which must be submitted to the Portfolio Risk Committee for its ratification; it only reviews regulatory models, as these are approved by the Portfolio Risk Committee and the Board of Directors. It establishes minimum standards for monitoring the quality of internal models. It establishes minimum standards for documenting the development, construction, monitoring and operation of the models.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

(iv) Internal Modeling Technical Oversight Committee (continued)

It is composed of the Retail Credit Risk and Global Risk Control Division Manager, the managers of the Risk Monitoring, the Research and Management, the Retail Business Development and the Risk Models departments, the managers of the Retail Monitoring and Models departments, and the deputy managers of the Big Data and Regulatory Systems, the Risk Models Validation, the Pre-approved Origination, the Regulatory Models, the Infrastructure and Management Models departments, and the Retail Risk Department Manager. This Committee meets monthly.

(iv) Senior Operational Risk Committee

It is an executive committee with authority to approve changes in the processes, procedures, controls and information systems that support the Bank's transactions, in order to mitigate operational risks, and assure that departments can appropriately manage and control these risks. It also reviews operational risk management at the subsidiaries and their reports to their respective Operational Risk Committees, including information security and business continuity issues. It reviews the corrective measures for these risks in the event of deviations or contingencies that could affect the subsidiaries or the Bank.

The Senior Operational Risk Committee is comprised of the Chairman of the Board, and three directors or alternates appointed by the Bank's Board of Directors, the Chief Executive Officer, the Retail Credit Risk and Global Risk Control Division Manager, the Operations and Technology Division Manager, the Commercial Division Manager, the Cybersecurity Division Manager, the Marketing Division Manager and the Operational Risk Manager. The Committee meets monthly and may be called extraordinarily.

(vi) Operational Risk Committee

It is authorized to make any changes to the processes, procedures, controls and information systems that support the Bank's transactions, in order to mitigate operational risks, and assure that areas can appropriately manage and control these risks.

The Operational Risk Committee is comprised of the Retail Credit Risk and Global Risk Control Division Manager, the Financial Management, Control and Productivity Division Manager, the Cybersecurity Division Manager, the Operational Risk Manager, the Technological Risk Manager, the Business Continuity Manager, the Operations Department Manager, the Planning and PMO Manager, the Customer Manager, the Large Corporate Groups Manager, the Customer Service Manager, the Chief Counsel and the Deputy Operational Risk Management Manager. The Committee meets monthly and may be called extraordinarily.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

(vii) Capital Management Committee

This Committee meets quarterly and is composed of two directors; the Chief Executive Officer; the Financial Management, Control and Productivity Division Manager; the Wholesale Credit Risk Division Manager; the Retail Credit Risk and Overall Risk Control Division Manager; and the Financial Control, Treasury and Capital Department Manager. The Committee is chaired by a director. If the Chairman is absent, the other board member must act as chair.

The main function of the Capital Management Committee is to monitor capital management at the Bank and its subsidiaries, and ensure compliance with the Corporate Capital Management Policy and related regulations and to: (i) review and propose for Board approval the Corporate Capital Management Policy at least annually, (ii) review and approve the governance documentation associated with capital management at least annually, (iii) ensure that the Bank has sufficient capital to meet both its current needs and those arising from stress scenarios over a three-year horizon, (iv) review and approve the Capital Plan and propose Internal Capital Targets every year for subsequent approval by the Board, (v) review and approve the Business and Capital Comprehensive Risk Measurement (CRM) and Risk Appetite Framework (RAF), (vi) review and approve the results of integrated Stress Tests previously approved by the specialized Committees, for inclusion in the Capital Plan, and the Bank's CRM and RAF, (vii) review and propose for Board approval the Regulatory Capital Self-Assessment Report, (viii) regularly monitor the Bank's capital management metrics and the variables that affect these parameters, (ix) keep the Board informed regarding compliance with the Capital Plan, the Bank's Integrated RAF, the Business and Capital RAF, and any changes in the variables affecting capital management, (x) propose the activation and supervise the execution of contingency plans associated with non-compliance with the Business and Capital RAF, prior to their approval by the Board, and review any annual updates, (xi) understand and approve the regulatory and internal measurement methods and criteria that apply to capital and capital-related risk management associated with the Basel Pillar 3 framework, (xii) understand and approve information disclosed to the market under the Basel Pillar 3 framework, (xiii) review the capital management model validation results and monitor the status of validation findings every quarter, (xiv) review the results of the internal control assessment of the Regulatory Capital Self-Assessment Process, prior to issuing the Regulatory Capital Self-Assessment Report.

(b) Internal Audit

Risk management processes throughout the Bank are continually audited by the Internal Audit Area, which analyzes the adequacy of the procedures and their compliance. Internal Audit discusses the results of all evaluations with management and reports its findings and recommendations to the Board through the Audit Committee.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(1) Introduction (continued)

(c) Measurement Methodology

Provisions and portfolio expenses are basic measurements used to determine the credit quality of our portfolio, in terms of credit risk.

Banco de Chile evaluates its loan portfolio on an ongoing basis and promptly recognizes the risk level associated with the portfolio. This requires specific guidelines to build reactive and proactive origination management models, collection management models, provisioning models that comply with both local standards issued by the CMF and IFRS 9, and stress tests. These guidelines and models are approved by the Board of Directors.

The final outcome of this individual and group assessment is used to calculate the Bank's provisions to cover losses in the event of customer default.

An individual debtor assessment is used mainly for legal entities that the Bank needs to understand in detail or on a case-by-case basis due to their size, complexity or borrowings. Each debtor is classified into one of 16 categories defined by the CMF, in order to establish timely and sufficient provisions. The Bank reviews the portfolio's risk ratings on an ongoing basis, including each customer's financial situation, payment behavior and environment.

Group assessment criteria are mainly applied to individuals and smaller companies. These monthly assessments use statistical models that estimate the provisions required to cover the portfolio risk. The results for the commercial and mortgage portfolios are contrasted with the standard models provided by the regulator, with the resulting provision being the higher of the two methods. The consistency of these models is validated independently of the unit that develops them and subsequent back-testing contrasts actual losses with expected losses. The CMF recently issued a regulation in consultation that proposes a standard minimum model for the consumer portfolio.

The Bank prudentially adjusted its 2020 provision models during 2022, in particular its Probability of Default (PD) parameters using a conservative and prospective approach. Consequently, the models are monitored in accordance with board-approved guidelines.

In order to verify the quality and soundness of its risk assessment process, every year the Bank tests the adequacy of its provisions for its entire loan portfolio, thereby confirming that provisions are sufficient to cover losses that may arise from loans granted. The results of this analysis are presented to the Board, which then issues a formal opinion on the adequacy of the Bank's provisions for each year.

Banco de Chile records additional provisions to protect against unforeseeable economic fluctuations that may affect the macroeconomic environment or circumstances of a specific economic sector. Additional provisions or releases are proposed at least every year, first to the Portfolio Risk Committee and then to the Board for approval.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(1) Introduction (continued)

(c) Measurement methodology (continued)

The Bank established additional provisions during 2022 and 2021 taking into consideration various prospective analyses, expectations of the economic cycle and local macroeconomic forecasts, amongst the main factors.

The monitoring and control of risks are mainly carried out based on limits set by the Board. These limits reflect the Bank's business and market strategy, and also the level of risk it is prepared to accept, with additional emphasis on selected industries.

The Bank has integrated its capital planning process into its strategic planning, in line with the risks inherent to its business, the financial and competitive environment, its business strategy, corporate values, and its risk governance, management and control systems. Its capital planning process is aligned with the regulator's requirements and incorporates Risk Weighted Asset calculations and stress tests for its credit, market and operational risks, and the integrated measurement of its financial and non-financial risks.

The Bank reviews and updates its Risk Appetite Framework every year, which is approved by the Board. This exercise identifies, evaluates, measures, mitigates and proactively controls all the significant risks that could arise in the normal course of business. Therefore, the bank uses several management tools and defines an appropriate structure of limits and warnings within this framework, which constantly monitor the performance of various indicators and trigger prompt corrective measures, if required. These indicators are included in the annual regulatory capital self-assessment report that is approved by the board and submitted to the CMF.

(2) Credit risk

Credit risk assesses the probability that the counterparty in a loan transaction does not meet its contractual obligation because of payment incapacity or financial insolvency, and that leads to a potential loan loss.

The Bank seeks an adequate risk-return and an appropriate risk balance, through careful credit risk management, which covers the loan origination, monitoring and recovery processes. It extends its understanding of its risks using an integral approach, in order to contribute to the business and anticipate threats that could damage the solvency and quality of the portfolio. It promotes a unique risk awareness culture throughout the Bank and continually trains its staff.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

This requires developing a risk management framework for the business segments served by the Bank, responding to regulatory requirements and commercial dynamism, contributing to digital transformation, and contributing to the Bank's businesses from a risk management perspective. It adopts a portfolio perspective that efficiently and proactively manages, resolves and controls the business approval and monitoring process.

When required, corporate segments apply additional management processes for financing requests that involve greater exposure to environmental or social risks.

The Bank integrates socio-environmental criteria into its evaluations for granting financing for domestic and regional projects that might generate such an impact, wherever executed. Projects must have the corresponding permits, authorizations, patents and analyses for their impacts. For large customers, the Bank also has specialized customer service units involved in the process of financing large-scale projects such as public works concessions that include building infrastructure and mining, power or real estate developments, all of which may have an environmental impact.

Credit policies and processes are based on the following management principles, which use a specialized approach according to the characteristics of the Bank's markets and segments, and acknowledges their peculiarities:

1. Perform a rigorous evaluation during the loan origination process, based on credit policies, rules and procedures and making sure that sufficient, accurate information is available. This involves analyzing whether the customer's cash flow generation is sufficient to meet its payment commitments and, when necessary, requiring suitable guarantees to mitigate the risk associated with the customer.
2. Also, implementing a robust portfolio monitoring process using systems that warn the Bank of potential impairment of the customer when compared to the original assessment. It should also indicate any potential business opportunities with customers with good payment behavior.
3. Develop credit risk modeling guidelines, covering regulatory aspects (provisions, capital, stress tests) and management (origination, management, collection), for efficient decision making at each stage of the credit process.
4. Having a timely, flexible, efficient collections structure that can be used to take the appropriate steps depending on customer type and payment problems, strictly adhering at all times to regulations and the Bank's reputation-related policies.
5. Efficiently managing teams, tools and information availability to ensure optimal credit risk management.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

The credit risk divisions use these management principles to contribute to the business and anticipate threats that may affect solvency and portfolio quality. In particular, over the past three years the soundness of these principles and the role of credit risk have enabled the Bank to appropriately respond to challenges presented by the pandemic, providing prompt responses to customers while maintaining the solid fundamentals for which the Bank's portfolio is known among its diverse segments and products.

Portfolio performance was closely monitored during 2022 within the risk management framework, including the loans associated with the Fogape Covid and Fogape Reactivación programs.

(a) Retail segments

Loan origination for these segments is mainly managed using risk evaluation scoring tools, supported by an appropriate credit attribution model, which is required to approve each transaction. These assessments examine factors such as total borrowings, payment capacity and maximum acceptable exposure for the customer.

The Bank's risk functions for these segments are segregated into the following areas:

- **Retail Origination and Regulatory Area** evaluates customers and transactions specialized by product and segment. Maintains a framework of policies and standards to ensure that portfolio quality remains within the desired risk, and defines guidelines for customer origination and their respective parameterization in the assessment systems. These definitions are publicized within the commercial and risk areas through programs and continuous training, and they are monitored by credit review processes.
- The **Risk Models Department** develops, maintains and updates credit risk models for regulatory and management uses, in accordance with local and international regulations. It selects the functional specifications and the most appropriate statistical techniques to develop the required models. These models are validated by the Model Validation Area and then submitted to the corresponding governing body, such as the Internal Modeling Technical Development and Oversight Committee, the Portfolio Risk Committee, or the Board, as appropriate.
- The purpose of the **Risk Models and Internal Control Department** is to manage the risks associated with models and their processes, based on model validation, model risk management and internal control.
Model validation independently reviews risk models, including risk-weighted assets and stress testing, during their construction and implementation stages. It validates compliance with board-approved guidelines and addresses aspects such as governance, data quality, modeling techniques, implementation, methodological and parametric analysis and documentation. The results of these reviews are submitted to the respective committees.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

(a) Retail segments (continued)

Model risk management is responsible for monitoring models and ensuring that they fulfill their life cycle status.

Finally, the objective of internal control is to ensure that the financial information reported by the Bank is reliable and transparent. This requires regular assessments of material risks in relation to their impact on the financial statements, by evaluating the design and operational effectiveness of the internal control environment. The internal control process for Basel III has been implemented in compliance with the same framework, which consists of an independent review of the capital management function.

- **Models and Retail Monitoring Department** measures portfolio performance by monitoring the main indicators of the aggregate portfolio using batch analysis, which is reported to management, thus generating important information for decision-making. It also conducts special monitoring based on important events occurring in the market. This department ensures that the strategies achieve their risk quality objectives.

The risk model monitoring function monitors risk models and ensures that they comply with the standards that assure their predictive and discriminant capacity. This department manages the credit risk provision calculations and ensures that these processes are correctly executed and produce results.

- **The Collections Department** universally manages debt collections at the Bank and defines refinancing criteria using predefined negotiating guidelines to refinance borrowings for viable customers with the intention to pay, while maintaining an adequate risk-return ratio. It uses robust tools that control its differentiated collection management, in accordance with institutional policies and strict compliance with the regulatory framework.

The Bank has specific rules regarding customer collections and loan rescheduling, which ensure the quality of its portfolio, in accordance with its credit policies and risk appetite framework. Collection management supports customers with temporary cash flow problems by proposing loan rescheduling plans to viable customers, in order to preserve a long-term relationship after their situation has been resolved. The recovery of assets at risk is maximized and collection measures are promptly and appropriately implemented to ensure that loans are recovered or to reduce any potential loss.

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

(b) Wholesale segments

Origination management for this segment involves an individual assessment of the customer and if it belongs to a group of companies then this takes into consideration the Bank's relationship with the rest of the group. This individual (and group, if appropriate) assessment considers generation capacity, financial capacity with emphasis on solvency, exposure levels, industry variables, an evaluation of the partners and management and aspects particular to the transaction such as the financing structure, terms and any guarantees.

This assessment is backed by a rating model that ensures a homogeneous evaluation of the customer and its group. This assessment involves specialized areas for some segments that require expert knowledge such as real estate, construction, agriculture, financial and international.

The portfolio is continually monitored in a centralized manner by individual customer, business segment and economic sector, based on regularly updated information from the customer and the industry. Warnings are triggered throughout this process, to promptly and correctly detect any risks to the individual portfolio and to monitor any special conditions established at the origination stage, such as financial covenants, and the scope of specific guarantees and conditions imposed at approval.

Loan origination departments monitor loans from application to recovery, in order to ensure that portfolio risks are promptly and correctly identified, and anticipate any problems in cases with higher risks.

By identifying customers with signs of deterioration or default on any condition, the customer's commercial area and the Wholesale Credit Risk Division work together to devise action plans to correct the situation. In more complex cases requiring specialized management, the Special Asset Management Area, which reports to the Wholesale Credit Risk Division, is directly responsible for managing collections, establishing action plans and negotiating based on each customer's particular circumstances.

(c) Portfolio concentration

The maximum exposure to credit risk by customer or counterparty, without considering collateral and other credit improvements, as of December 31, 2022 and 2021, does not exceed 10% of the Bank's regulatory capital.

The following tables show the exposure to credit risk by component of the statement of financial position, including derivatives, both by geographic region and industrial sector as of December 31, 2022:

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

(c) Portfolio concentration (continued)

	Chile MCh\$	USA MCh\$	England MCh\$	Brazil MCh\$	Other MCh\$	Total MCh\$
Financial assets						
Cash and due from banks	1,448,441	1,227,305	24,982	8	64,148	2,764,884
Financial assets held for trading at fair value through profit and loss						
Financial derivative instruments						
Forwards (*)	315,527	38,355	91,832	—	119,659	565,373
Swaps (**)	1,037,521	32,161	1,095,040	—	224,855	2,389,577
Call options	2,321	—	—	—	—	2,321
Put options	2,758	—	—	—	—	2,758
Futures	—	—	—	—	—	—
Subtotal	1,358,127	70,516	1,186,872	—	344,514	2,960,029
Debt financial instruments						
Instruments issued by the State and the Chilean Central Bank	3,059,292	—	—	—	—	3,059,292
Other debt financial instruments issued locally	374,453	—	—	—	—	374,453
Other debt financial instruments issued abroad	—	—	—	—	—	—
Subtotal	3,433,745	—	—	—	—	3,433,745
Other financial instruments						
Investments in mutual funds	257,325	—	—	—	—	257,325
Subtotal	257,325	—	—	—	—	257,325
Financial assets at fair value through other comprehensive income						
Debt financial instruments						
Instruments issued by the State and the Chilean Central Bank	2,258,857	—	—	—	—	2,258,857
Other debt financial instruments issued locally	1,540,908	—	—	—	—	1,540,908
Other debt financial instruments issued abroad	—	167,627	—	—	—	167,627
Subtotal	3,799,765	167,627	—	—	—	3,967,392
Financial derivative contracts for hedging purposes						
Forwards	—	—	—	—	—	—
Swaps	118	18,368	8,142	—	449	27,077
Call options	—	—	—	—	—	—
Put options	—	—	—	—	—	—
Futures	—	—	—	—	—	—
Subtotal	118	18,368	8,142	—	449	27,077
Financial assets at amortized cost						
Rights under resale agreements and securities borrowing	54,061	—	—	—	—	54,061
Debt financial instruments						
State and Chilean Central Bank	902,355	—	—	—	—	902,355
Subtotal	902,355	—	—	—	—	902,355
Loans and advances to banks						
Chilean Central Bank	1,801,100	—	—	—	—	1,801,100
Banks in Chile	—	—	—	—	—	—
Foreign banks	—	—	18,679	182,320	172,693	373,692
Subtotal	1,801,100	—	18,679	182,320	172,693	2,174,792
Customer loans and receivables						
Commercial loans	20,256,166	—	—	—	29,544	20,285,710
Mortgage loans	11,416,154	—	—	—	—	11,416,154
Consumer loans	4,992,940	—	—	—	—	4,992,940
Subtotal	36,665,260	—	—	—	29,544	36,694,804

(*) Others include: France Ch\$92,885 million and Spain Ch\$18,923 million.

(**) Others include: France Ch\$62,731 million and Spain Ch\$45,189 million.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

	Chilean Central Bank MCh\$	Government MCh\$	Individuals MCh\$	Financial services MCh\$	Commerce MCh\$	Manufacturing MCh\$	Mining MCh\$	Electricity, gas and water MCh\$	Agriculture and livestock MCh\$	Fishing MCh\$	Transport and telecom MCh\$	Construction MCh\$	Services MCh\$	Other MCh\$	Total MCh\$
Cash and due from banks	384,230	—	—	2,380,654	—	—	—	—	—	—	—	—	—	—	2,764,884
Financial assets held for trading at fair value through profit and loss															
Financial derivative contracts															
Forwards	—	—	—	371,960	28,966	12,435	124	2,153	8,456	18	144	1,602	139,515	—	565,373
Swaps	—	—	—	2,311,655	9,770	9,123	—	10,148	4,236	3,848	16,166	14,493	10,138	—	2,389,577
Call options	—	—	—	123	601	61	—	—	90	6	1	1,437	2	—	2,321
Put options	—	—	—	752	1,412	481	—	—	5	—	21	—	87	—	2,758
Futures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	2,684,490	40,749	22,100	124	12,301	12,787	3,872	16,332	17,532	149,742	—	2,960,029
Debt financial instruments															
Instruments issued by the State and the Chilean Central Bank	3,019,487	39,805	—	—	—	—	—	—	—	—	—	—	—	—	3,059,292
Other debt financial instruments issued locally	—	—	—	374,453	—	—	—	—	—	—	—	—	—	—	374,453
Other debt financial instruments issued abroad	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	3,019,487	39,805	—	374,453	—	—	—	—	—	—	—	—	—	—	3,433,745
Other financial instruments															
Investments in mutual funds	—	—	—	257,325	—	—	—	—	—	—	—	—	—	—	257,325
Subtotal	—	—	—	257,325	—	—	—	—	—	—	—	—	—	—	257,325
Financial assets at fair value through other comprehensive income															
Debt financial instruments															
Instruments issued by the State and the Chilean Central Bank	—	2,258,857	—	—	—	—	—	—	—	—	—	—	—	—	2,258,857
Other debt financial instruments issued locally	—	—	—	1,513,240	13,591	—	—	4,934	—	—	4,639	4,504	—	—	1,540,908
Other debt financial instruments issued abroad	—	—	—	167,627	—	—	—	—	—	—	—	—	—	—	167,627
Subtotal	—	2,258,857	—	1,680,867	13,591	—	—	4,934	—	—	4,639	4,504	—	—	3,967,392
Hedge accounting derivative contracts															
Forwards	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Swaps	—	—	—	27,077	—	—	—	—	—	—	—	—	—	—	27,077
Call options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Put options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Futures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	27,077	—	—	—	—	—	—	—	—	—	—	27,077
Financial assets at amortized cost (*)															
Repurchase agreement rights															
Instruments issued by the State and the Chilean Central Bank	—	902,355	—	—	—	—	—	—	—	—	—	—	—	—	902,355
Subtotal	—	902,355	—	—	—	—	—	—	—	—	—	—	—	—	902,355
Loans and advances to banks															
Chilean Central Bank	1,801,100	—	—	—	—	—	—	—	—	—	—	—	—	—	1,801,100
Banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Foreign banks	—	—	—	373,692	—	—	—	—	—	—	—	—	—	—	373,692
Subtotal	1,801,100	—	—	373,692	—	—	—	—	—	—	—	—	—	—	2,174,792

(*) Economic business of Customer loans and receivables as disclosed in Note 40.11g.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

The following tables show the exposure to credit risk by component of the statement of financial position, including derivatives, both by geographic region and industrial sector as of December 31, 2021:

	Chile MCh\$	USA MCh\$	Brazil MCh\$	Other MCh\$	Total MCh\$
Financial Assets					
Cash and due from banks	2,748,930	897,881	8	66,915	3,713,734
Financial assets held for trading at fair value through profit and loss					
Financial derivative instruments					
Forwards	585,463	90,461	—	66,621	742,545
Swaps	1,113,136	256,829	—	588,278	1,958,243
Call options	4,509	—	—	—	4,509
Put options	199	—	—	—	199
Futures	—	—	—	—	—
Subtotal	1,703,307	347,290	—	654,899	2,705,496
Debt financial instruments					
Instruments issued by the State and the Chilean Central Bank	3,472,122	—	—	—	3,472,122
Other debt financial instruments issued locally	265,820	—	—	—	265,820
Other debt financial instruments issued abroad	—	—	—	—	—
Subtotal	3,737,942	—	—	—	3,737,942
Other financial instruments	138,753	—	—	—	138,753
Subtotal	138,753	—	—	—	138,753
Financial assets at fair value through other comprehensive income					
Debt financial instruments					
Instruments issued by the State and the Chilean Central Bank	2,488,850	—	—	—	2,488,850
Other debt financial instruments issued locally	565,959	—	—	—	565,959
Other debt financial instruments issued abroad	—	—	—	—	—
Subtotal	3,054,809	—	—	—	3,054,809
Financial derivative contracts for hedging purposes					
Forwards	—	—	—	—	—
Swaps	16,374	79,904	—	181,524	277,802
Call options	—	—	—	—	—
Put options	—	—	—	—	—
Futures	—	—	—	—	—
Subtotal	16,374	79,904	—	181,524	277,802
Financial assets at amortized cost					
Rights under resale agreements and securities borrowing	64,365	—	—	—	64,365
Debt financial instruments					
State and Chilean Central Bank	839,744	—	—	—	839,744
Subtotal	839,744	—	—	—	839,744
Loans and advances to banks					
Chilean Central Bank	1,090,000	—	—	—	1,090,000
Banks in Chile	160,018	—	—	—	160,018
Banks abroad	—	—	141,249	138,565	279,814
Subtotal	1,250,018	—	141,249	138,565	1,529,832
Customer loans and receivables					
Commercial loans	19,621,038	—	—	13,718	19,634,756
Mortgage loans	10,346,652	—	—	—	10,346,652
Consumer loans	4,248,709	—	—	—	4,248,709
Subtotal	34,216,399	—	—	13,718	34,230,117

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

	Chilean Central Bank MCh\$	Government MCh\$	Individuals MCh\$	Financial services MCh\$	Commerce MCh\$	Manufacturing MCh\$	Mining MCh\$	Electricity, gas and water MCh\$	Agriculture and livestock MCh\$	Fishing MCh\$	Transport and telecom MCh\$	Construction MCh\$	Services MCh\$	Other MCh\$	Total MCh\$
Cash and due from banks	1,545,472	—	—	2,168,262	—	—	—	—	—	—	—	—	—	—	3,713,734
Financial assets held for trading at fair value through profit and loss															
Financial derivative contracts															
Forwards	—	—	—	521,735	3,685	18,806	1,343	12,623	4,873	—	—	247	—	179,233	742,545
Swaps	—	—	—	1,870,975	342	3,444	2	8,129	17,815	5,409	11,516	3,098	—	37,513	1,958,243
Call options	—	—	—	251	3,595	474	—	—	80	109	—	—	—	—	4,509
Put options	—	—	—	21	178	—	—	—	—	—	—	—	—	—	199
Futures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	2,392,982	7,800	22,724	1,345	20,752	22,768	5,518	11,516	3,345	—	216,746	2,705,496
Debt financial instruments															
Instruments issued by the State and the Chilean Central Bank	3,287,111	162,433	—	22,578	—	—	—	—	—	—	—	—	—	—	3,472,122
Other debt financial instruments issued locally	—	—	—	265,820	—	—	—	—	—	—	—	—	—	—	265,820
Other debt financial instruments issued abroad	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	3,287,111	162,433	—	288,398	—	—	—	—	—	—	—	—	—	—	3,737,942
Other financial instruments	—	—	—	138,753	—	—	—	—	—	—	—	—	—	—	138,753
Subtotal	—	—	—	138,753	—	—	—	—	—	—	—	—	—	—	138,753
Financial assets at fair value through other comprehensive income															
Debt financial instruments															
Instruments issued by the State and the Chilean Central Bank	102	2,488,748	—	—	—	—	—	—	—	—	—	—	—	—	2,488,850
Other debt financial instruments issued locally	—	—	—	537,036	—	—	—	5,254	—	—	5,321	4,609	—	13,739	565,959
Other debt financial instruments issued abroad	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	102	2,488,748	—	537,036	—	—	—	5,254	—	—	5,321	4,609	—	13,739	3,054,809
Hedge accounting derivative contracts															
Forwards	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Swaps	—	—	—	277,802	—	—	—	—	—	—	—	—	—	—	277,802
Call options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Put options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Futures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	277,802	—	—	—	—	—	—	—	—	—	—	277,802
Financial assets at amortized cost (*)															
Repurchase agreement rights	—	—	232	62,030	1,327	—	—	—	—	—	—	13	—	763	64,365
Debt financial instruments															
Instruments issued by the State and the Chilean Central Bank	—	839,744	—	—	—	—	—	—	—	—	—	—	—	—	839,744
Subtotal	—	839,744	—	—	—	—	—	—	—	—	—	—	—	—	839,744
Loans and advances to banks															
Chilean Central Bank	1,090,000	—	—	—	—	—	—	—	—	—	—	—	—	—	1,090,000
Banks in Chile	—	—	—	160,018	—	—	—	—	—	—	—	—	—	—	160,018
Banks abroad	—	—	—	279,814	—	—	—	—	—	—	—	—	—	—	279,814
Subtotal	1,090,000	—	—	439,832	—	—	—	—	—	—	—	—	—	—	1,529,832

(*) Economic business of Customer loans and receivables as disclosed in Note 40.11g.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

(d) Collateral and other credit improvements

The collateral's value and requirements depend on the counterparty's credit risk assessment.

The Bank has guidelines with respect to the acceptability of collateral and valuation parameters.

The main types of collateral obtained are:

- For commercial loans: residential and non-residential real estate, liens and inventory.
- For retail loans: mortgages over residential properties.

The Bank also obtains collateral from parent companies for loans granted to their subsidiaries.

Management is committed to obtaining acceptable collateral according to external regulations and in accordance with internal policy guidelines and parameters. The Bank has around 244,033 separate collateral instruments as of December 31, 2022 (242,870 as of December 31, 2021), with the highest value in properties. Collateral is detailed as follows.

December 2022	Collateral					
	Loans MCh\$	Mortgages MCh\$	Pledges MCh\$	Securities MCh\$	Warrants MCh\$	Total MCh\$
Corporations	15,469,444	3,993,984	193,235	590,126	4,386	4,781,731
SMEs	4,816,266	3,352,055	20,294	11,700	—	3,384,049
Consumer	4,992,940	364,469	912	3,364	—	368,745
Residential mortgage	11,416,154	9,928,827	133	607	—	9,929,567
Total	36,694,804	17,639,335	214,574	605,797	4,386	18,464,092
December 2021	Collateral					
	Loans MCh\$	Mortgages MCh\$	Pledges MCh\$	Securities MCh\$	Warrants MCh\$	Total MCh\$
Corporations	14,599,427	3,392,760	149,892	508,711	4,451	4,055,814
SMEs	5,035,329	3,124,172	26,310	12,898	—	3,163,380
Consumer	4,248,709	317,215	622	2,498	—	320,335
Residential mortgage	10,346,652	8,730,747	96	196	—	8,731,039
Total	34,230,117	15,564,894	176,920	524,303	4,451	16,270,568

The Bank also uses credit-risk mitigating elements for derivative transactions. The mitigating elements currently used are:

- Accelerating transactions and net payment using market values at the date of default of one of the parties.
- Option for both parties to terminate early any transaction with a counterparty at a given date, using market values as of the respective date.

Margins in the form of time deposits by customers who close forward contracts in the subsidiary Banchile Corredores de Bolsa S.A.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

(d) Collateral and other credit improvements (continued)

The value of collateral held by the Bank relating to loans individually classified as impaired as of December 31, 2022 is Ch\$110,686 million and as of December 31, 2021 is Ch\$28,189 million.

The value of collateral held by the Bank relating to past due loans not impaired as of December 31, 2022 is Ch\$325,079 million and as of December 31, 2021 is Ch\$177,169 million.

(e) Credit quality by class of assets

The Bank determines the credit quality of financial assets using internal credit classifications. The classification process is linked to the approval and follow-up processes, and is carried out according to the risk categories under current regulations, constantly updating this according to the favorable or unfavorable evolution shown by the customers and their environment, considering commercial and payment behavior as well as financial information.

The Bank also makes focused revisions of companies in specific economic sectors that are affected by macroeconomic or the sector's own variables. Such reviews allow the Bank to opportunely establish any necessary provisions that are sufficient to cover losses for potentially uncollectable loans.

The credit quality by asset class for each line in the statement of financial position is as follows, based on the Bank's loan classification system disclosed in Note 40.11d.

The past due but not impaired portfolio is as follows.

	Past due but not impaired portfolio (*)			
	1 to 29 days	30 to 59 days	60 to 89 days	Over 90 days
	MCh\$	MCh\$	MCh\$	MCh\$
December 2022	622,379	157,852	46,762	—
December 2021	474,092	70,188	21,965	—

(*) These amounts include the past due portion and the remaining balance.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(2) Credit risk (continued)

(f) Assets received in lieu of payment

The Bank has assets received in lieu of payment amounting to Ch\$10,149 million as of December 31, 2022 and Ch\$12,523 million as of December 31, 2021, which are mainly properties. All of these assets are held for sale.

(g) Restructured loans

Loans shown as restructured in the statement of financial position relate to those where the corresponding financial commitments have been restructured and where the Bank considers that the probability of recovery is sufficiently high.

The following table details the book value of loans with renegotiated terms by financial asset class.

Financial Assets	2022 MCh\$	2021 MCh\$
Loans and advances to banks		
Chilean Central Bank	—	—
Banks in Chile	—	—
Banks abroad	—	—
Subtotal	<u>—</u>	<u>—</u>
Customer loans and receivables, net		
Commercial loans	381,171	331,127
Mortgage loans	251,380	243,684
Consumer loans	258,434	361,015
Subtotal	<u>890,985</u>	<u>935,826</u>
Total restructured financial assets	<u>890,985</u>	<u>935,826</u>

(h) Compliance with the limit on loans to related debtors

The following figures disclose compliance with the limits to debtors related to the Bank and its subsidiaries in accordance with Article 84 paragraph 2 of the General Banking Law, which states that all these loans must never exceed its regulatory capital.

	December 2022 MCh\$	December 2021 MCh\$
Total related party payables	960,640	798,419
Consolidated regulatory capital	6,367,997	5,634,345
Percentage of limit	15.09%	14.17%

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk

The Bank may be exposed to risks due to insufficient liquidity to pay its liabilities or close financial transactions on time (liquidity risk), or adverse movements in the prices of market variables (price risk). These risks are correctly managed using guidelines in the Liquidity Risk Management Policy and the Market Risk Management Policy. Both are reviewed by the Market Risk Manager and approved by the Board every year.

(a) Liquidity risk

Measurement and limits of liquidity risk

The Bank manages liquidity risk in accordance with the Liquidity Risk Management Policy, and it manages Trading Liquidity Risk separately from Funding Liquidity Risk.

Trading Liquidity Risk is the inability to cover or close open financial positions at current market prices mainly in the Trading Book. This is valued daily at market prices and any differences in value are instantly recognized in the income statement. This risk is limited and controlled by setting limits on Trading Book positions based on estimates of what can be quickly liquidated. There is a negative impact on the Bank's income statement whenever it considers that the size of a specific position in the Trading Book exceeds a reasonable amount traded in secondary markets that could be sold without altering market prices.

Liquidity Funding Risk refers to the inability of the Bank to obtain sufficient cash to meet its immediate obligations. This risk is mitigated by keeping minimum highly liquid assets called a liquidity buffer, and by establishing limits and internal control metrics, including the MAR (Market Access Report). This report estimates the funding that the Bank would need from the financial wholesale segment for the next 30 and 90 days in each of the significant currencies on the balance sheet, to meet its cash requirements under normal operating conditions.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

As of December 31, 2022, these are as follows.
(LCCY = local currency; FCCY = foreign currency).

	MAR LCCY + FCCY BCh\$		MAR FCCY MUS\$	
	<u>1 - 30 days</u>	<u>1 - 90 days</u>	<u>1 - 30 days</u>	<u>1 - 90 days</u>
Maximum	1,197	2,962	1,590	2,419
Minimum	-1,726	486	-896	27
Average	-156	2,016	252	1,173

The Bank also monitors the local currency assets that are funded with foreign currency liabilities including cash flows generated by derivative payments requiring physical delivery and all maturities. This metric is known as Cross-Currency Funding. The Bank supervises and limits this amount to take precautions not only against a Banco de Chile event but also against a systemic adverse environment caused by a country risk event.

The use of Cross-Currency Funding during 2022 is as follows:

	<u>Cross Currency Funding MUS\$</u>
Maximum	3,378
Minimum	1,552
Average	2,280

In addition, the Bank establishes thresholds that trigger warnings when indicators exceed the expected ranges at a normal or prudent operating level, with the aim of prudently controlling other dimensions of liquidity risk such as a concentration of fund maturities, the diversification of funding sources by counterparty or product, etc.

Trends in the Bank's financial ratios are monitored, in order to detect structural changes in its financial position statement. The 2022 values of its most important ratios are presented in the table below:

	<u>Liquid Assets/ Net Funds < 30 days</u>	<u>Liabilities > 1 year / Assets > 1 year</u>	<u>Deposits/ Loans</u>
Maximum	218%	101%	68%
Minimum	174%	93%	63%
Average	193%	98%	66%

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

Furthermore, specific market indices, prices and monetary decisions taken by the Chilean Central Bank are monitored to detect structural changes in market conditions that can trigger a liquidity shortage or even a financial crisis.

The Bank's Liquidity Risk Management Policy requires regular stress testing, which is contrasted against the potential action plans for each scenario, according to the guidelines in the Liquidity Contingency Plan. The outcome of this process forms an essential component of the Bank's liquidity risk appetite framework.

The Bank measures cash flow mismatches under regulatory standards using the C46 index report, which represents the expected net cash flow forecasts as a result of almost all assets and liabilities maturing. The Financial Market Commission (hereinafter, indistinctly "CMF") requires that the adjusted C46 index is reported, which includes assumptions regarding extinguishing some liabilities, such as demand deposits and time deposits, and also requires some refinancing assumptions for the loan portfolio.

The CMF has currently established the following requirements for the C46 index.

Financial position items in foreign currency: 1 to 30 day C46 index standard limit < 1 times core capital

During 2022 this index has been as follows.

	Adjusted C46 Index LCCY + FCCY as % of Core Capital		Adjusted C46 Index FCCY as % of Core Capital
	<u>1 - 30 days</u>	<u>1 - 90 days</u>	<u>1 - 30 days</u>
Maximum	0.13	(0.03)	0.30
Minimum	(0.38)	(0.44)	0.07
Average	(0.07)	(0.19)	0.20
Standard limit	N/A	N/A	1.0

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

The individual and consolidated term gaps are as follows:

Quarterly Statement of Individual Liquidity Situation
 As of December 31, 2022, Contractual Basis
 Values in MCh\$

Consolidated currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	10,071,396	12,129,421	13,485,753	16,627,649
Cash flow payable (liabilities) and expenses	18,376,493	20,338,204	24,302,901	28,132,703
Gap	8,305,097	8,208,783	10,817,148	11,505,054

Foreign currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	1,930,251	2,148,891	2,004,482	2,273,163
Cash flow payable (liabilities) and expenses	3,492,717	3,754,973	4,251,778	4,667,901
Gap	1,562,466	1,606,082	2,247,296	2,394,738
Limits				
One times capital			4,839,388	
Available Margin			2,592,092	

* In the limit up to 30 days, in foreign currency, the Bank has excess liquidity of Ch\$2,595,092,386,326

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

Quarterly Statement of Individual Liquidity Situation
 As of December 31, 2022, Adjusted Basis
 Values in MCh\$

Consolidated currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	9,747,979	11,606,518	12,519,708	14,605,826
Cash flow payable (liabilities) and expenses	8,735,416	9,450,119	10,997,519	12,799,639
Gap	(1,012,563)	(2,156,399)	(1,522,189)	(1,806,187)

Foreign currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	1,808,204	1,970,538	1,685,491	1,653,650
Cash flow payable (liabilities) and expenses	2,371,029	2,562,700	2,927,049	3,246,680
Gap	562,825	592,162	1,241,558	1,593,030
Limits			4,839,388	
One times capital				
Available Margin			3,597,830	

* In the limit up to 30 days, in foreign currency, the Bank has excess liquidity of Ch\$3,597,830,085,721

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

Quarterly Statement of Consolidated Liquidity Situation
 As of December 31, 2022, Contractual Basis
 Values in MCh\$

Consolidated currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	10,795,492	12,860,076	14,237,130	17,396,178
Cash flow payable (liabilities) and expenses	18,757,121	20,756,432	24,740,790	28,570,645
Gap	7,961,629	7,896,356	10,503,660	11,174,467

Foreign currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	1,922,706	2,141,345	1,996,945	2,265,645
Cash flow payable (liabilities) and expenses	3,492,291	3,754,547	4,251,351	4,667,527
Gap	1,569,585	1,613,202	2,254,406	2,401,882

Limits				
One times capital			4,839,388	
Available Margin			2,584,982	

* In the limit up to 30 days, in foreign currency, the Bank has excess liquidity of Ch\$2,584,982,163,169

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

Quarterly Statement of Consolidated Liquidity Situation
 As of December 31, 2022, Adjusted Basis
 Values in MCh\$

Consolidated currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	10,472,075	12,337,173	13,271,085	15,374,355
Cash flow payable (liabilities) and expenses	9,116,044	9,868,348	11,435,409	13,237,581
Gap	(1,356,031)	(2,468,825)	(1,835,676)	(2,136,774)

Foreign currency	From 0 to 7 days	From 0 to 15 days	From 0 to 30 days	From 0 to 90 days
Cash flow receivable (assets) and income	1,800,658	1,962,992	1,677,954	1,646,133
Cash flow payable (liabilities) and expenses	2,370,603	2,562,274	2,926,623	3,246,306
Gap	569,945	599,282	1,248,669	1,600,173
Limits				
One times capital			4,839,388	
Available Margin			3,590,719	

* In the limit up to 30 days, in foreign currency, the Bank has excess liquidity of Ch\$3,590,719,862,565

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

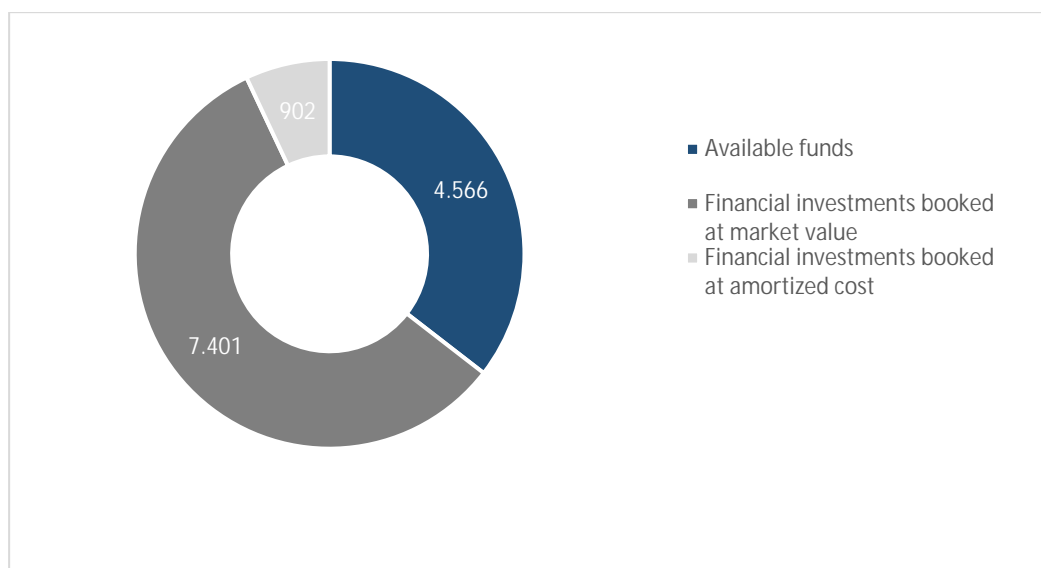
Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

Liquid Assets, Consolidated Balance Sheet as of December 31, 2022, amounts in BCh\$



Source: Financial Statements Banco de Chile as of December 31, 2022

The regulatory authorities require the measurement of the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) using similar assumptions to those used by an international bank. The minimum required for the former was 100%, while the limit for the latter was 60%. The trends in the LCR and NSFR metrics during 2022 are as follows.

	<u>LCR</u>	<u>NSFR</u>
Maximum	4.10	1.35
Minimum	2.31	1.29
Average	3.28	1.32
Standard limit	1.0(*)	0.6 (**)

(*) Effective as of June 1, 2022.

(**) Effective as of June 1, 2022, and will gradually increase to 1.0 in January 2026.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

The contractual maturity profile of the consolidated financial liabilities of Banco de Chile and its subsidiaries as of December 31, 2022 and 2021, is as follows.

	Under 1 month MCh\$	1 to 3 months MCh\$	3 to 12 months MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Liabilities as of December 31, 2022							
Transactions in the course of payment	681,792	—	—	—	—	—	681,792
Physically settled derivatives	743,686	780,406	1,375,700	1,581,587	756,582	1,743,275	6,981,236
Financial liabilities at amortized cost							
Current accounts and other demand deposits	13,383,203	—	—	—	—	—	13,383,203
Savings accounts and time deposits	9,774,591	3,013,166	1,358,262	121,808	5,940	655	14,274,422
Obligations under repurchase agreements and securities lending	219,043	52	—	—	—	—	219,095
Borrowings from financial institutions	158,173	83,612	795,721	4,348,400	—	—	5,385,906
Debt financial instruments in every currency	13,442	170,745	1,349,567	2,286,711	2,555,020	4,119,530	10,495,015
Other financial obligations	343,526	21	110	45	—	—	343,702
Regulatory capital financial instruments (subordinated bonds)	2,869	—	48,017	94,649	84,952	1,135,504	1,365,991
Total (excluding derivatives under offsetting agreements)	25,320,325	4,048,002	4,927,377	8,433,200	3,402,494	6,998,964	53,130,362
Derivatives under offsetting agreements	686,308	751,720	1,595,212	1,283,629	683,109	2,161,307	7,161,285

	Under 1 month MCh\$	1 to 3 months MCh\$	3 to 12 months MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Liabilities as of December 31, 2021							
Transactions in the course of payment	460,490	—	—	—	—	—	460,490
Physically settled derivatives	434,113	469,349	2,603,467	1,645,489	968,078	1,761,581	7,882,077
Financial liabilities at amortized cost							
Current accounts and other demand deposits	18,542,741	—	—	—	—	—	18,542,741
Savings accounts and time deposits	7,101,831	1,774,627	240,912	66,492	1,619	—	9,185,481
Obligations under repurchase agreements and securities lending	88,433	—	52	—	—	—	88,485
Borrowings from financial institutions	67,813	1,259,167	18,344	3,515,979	—	—	4,861,303
Debt financial instruments in every currency	17,154	369,988	1,083,540	2,358,966	2,104,219	4,839,310	10,773,177
Other financial obligations	273,394	50	183	183	—	—	273,810
Total (excluding derivatives under offsetting agreements)	26,985,969	3,873,181	3,946,498	7,587,109	3,073,916	6,600,891	52,067,564
Derivatives under offsetting agreements	271,193	586,231	2,602,915	1,030,628	669,796	2,145,008	7,305,771

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk

Measurement and limits of pricing risk

Price risk measurement and management processes are carried out in accordance with the Market Risk Management Policy using internal metrics developed by the Bank for both the Accrual Book and the Trading Book. The Accrual Book includes all items on the statement of financial position, including all the items in the Trading Book, but they are reported with a delayed interest rate adjustment of one day, thus avoiding an interest rate accrual risk. The portfolio at fair value through other comprehensive income (hereinafter FVTOCI) is included, which is a subset of the Accrual Book, and given its nature it is measured independently. The Bank also reports indicators to the regulatory entities, in accordance with their models.

The Bank has established various internal limits for financial positions in the Trading Book, such as internal limits for net positions with spot exchange rates (delta FX), sensitivity limits for interest rate positions (DV01 or rho) and options volatility sensitivity limits (vega). The limits are established on an aggregate basis, but also for specific interest rate adjustment points. These limits are monitored, controlled and reported to the Bank's senior management on a daily basis by independent control departments within the business. The internal governance framework also establishes that these limits are approved by the Bank's Board of Directors and reviewed at least annually.

The Bank measures and controls the portfolio risk in the Trading Book using the Value at Risk (VaR) tool. The model includes a 99% confidence level and the price trends for the last 12 months.

The values of VaR for 2022 are as follows.

	Value-at-Risk 99% one-day confidence level MCh\$
Maximum	2,048
Minimum	487
Average	1,100

The Bank performs measurements, limitations, controls and reports on interest rate exposures and risks in the Accrual Book using internally developed methods based on the differences between assets and liabilities considering the adjustment dates of interest rates. Exposures are measured according to the Interest Rate Exposure (IRE) and the risks according to the Earnings at Risk (EaR) indicators. These metrics include the prepayment risk, which is the customer's capacity to totally or partially repay the debt before maturity. This requires a cash flow allocation model for loans with exposure to interest rate fluctuations, according to their prepayment behavior, which reflects a gradual decrease in the average maturity of these loans.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

The values of EaR for 2022 are as follows.

	12 months Earnings-at-Risk 99% confidence level 3 months from the closing period MCh\$
Maximum	261,533
Minimum	179,379
Average	219,818

The measurement of regulatory risk for the Trading Book (the market risk-weighted assets report) is produced using the guidelines provided by the Chilean Central Bank (hereinafter "BCCh") and the CMF. These methodologies estimate the potential loss that the Bank will incur considering standardized fluctuations in the value of market factors such as exchange rates, interest rates and volatilities that may adversely affect the value of foreign currency positions, interest rate exposures and volatility exposures, respectively. Changes in interest rates are provided by the regulator. Furthermore, very conservative correlation and term factors are included to explain changes in the curve of non-parallel yields.

The risk for the Banking Book is measured using standardized methods provided by regulatory entities (BCCh and CMF), in accordance with regulatory guidelines (C40 report), as a result of fluctuations in interest rates. The report includes models for reporting currency mismatches, and adverse standardized fluctuations in interest rates. The regulatory agency has also requested banks to establish separate short-term and long-term internal limits for these regulatory measurements.

The results of trading activities during the month are checked to see if they exceed defined loss limits. If this happens, senior management is notified in order to assess any potential corrective measures.

The Bank's Market Risk Management Policy requires daily stress testing for the Trading Book and monthly stress testing for the Accrual Book. Also daily stress testing for the FVTOCI portfolio. The outcome of stress testing is checked to see if they exceed trigger points. If this happens, senior management is notified and measures are implemented, if necessary. These book tests are a fundamental component of the Bank's risk appetite framework.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

	Under 1 month MCh\$	1 to 3 months MCh\$	3 to 12 months MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Assets as of December 31, 2022							
Cash and due from banks	2,624,888	—	—	—	—	—	2,624,888
Transactions in the course of collection	743,379	—	—	—	—	—	743,379
Financial assets at fair value through other comprehensive income							
Debt financial instruments	82,025	324,492	2,487,874	614,944	220,962	248,832	3,979,129
Financial derivative contracts for hedging purposes	378	4,040	296,187	347,208	352,502	1,033,196	2,033,511
Financial assets at amortized cost							
Rights under resale agreements and securities borrowing	—	—	—	—	—	—	—
Debt financial instruments	—	8,816	11,222	56,159	459,884	452,991	989,072
Loans and advances to banks	1,904,368	63,569	209,047	—	—	—	2,176,984
Customer loans and receivables	5,061,294	3,188,902	7,913,635	9,165,338	4,722,852	13,044,702	43,096,723
Total assets	10,416,332	3,589,819	10,917,965	10,183,649	5,756,200	14,779,721	55,643,686

	Under 1 month MCh\$	1 to 3 months MCh\$	3 to 12 months MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Assets as of December 31, 2021							
Cash and due from banks	3,579,634	—	—	—	—	—	3,579,634
Transactions in the course of collection	446,603	—	—	—	—	—	446,603
Financial assets at fair value through other comprehensive income							
Debt financial instruments	95,585	488,919	1,479,321	619,044	169,289	208,507	3,060,665
Financial derivative contracts for hedging purposes	64	2,163	69,192	500,218	198,926	1,669,980	2,440,543
Financial assets at amortized cost							
Rights under resale agreements and securities borrowing	—	—	—	—	—	—	—
Debt financial instruments	—	8,334	10,740	38,148	431,285	450,200	938,707
Loans and advances to banks	1,366,378	81,164	81,800	—	—	—	1,529,342
Customer loans and receivables	2,529,601	2,676,130	7,226,224	9,018,799	4,798,188	11,955,962	38,204,904
Total assets	8,017,865	3,256,710	8,867,277	10,176,209	5,597,688	14,284,649	50,200,398

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

	Under 1 month MCh\$	1 to 3 months MCh\$	3 to 12 months MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Liabilities as of December 31, 2022							
Transactions in the course of payment	650,640	—	—	—	—	—	650,640
Financial derivative contracts for hedging purposes	1,440	1,006	272,568	341,455	332,705	1,503,902	2,453,076
Financial liabilities at amortized cost							
Current accounts and other demand deposits	13,454,259	—	—	—	—	—	13,454,259
Savings accounts and time deposits	9,774,591	3,013,166	1,358,905	121,808	5,940	655	14,274,422
Obligations under repurchase agreements and securities lending	7,344	—	—	—	—	—	7,344
Borrowings from financial institutions	158,173	83,612	795,721	4,348,400	—	—	5,385,906
Debt financial instruments issued (*)	13,443	170,745	1,349,566	2,286,711	2,555,020	4,119,530	10,495,015
Regulatory capital financial instruments (subordinated bonds)	2,869	—	48,017	94,649	84,952	1,135,504	1,365,991
Other liabilities	343,526	21	110	45	—	—	343,702
Total liabilities	24,406,285	3,268,550	3,824,244	7,193,068	2,978,617	6,759,591	48,430,355

	Under 1 month MCh\$	1 to 3 months MCh\$	3 to 12 months MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Liabilities as of December 31, 2021							
Transactions in the course of payment	333,431	—	—	—	—	—	333,431
Financial derivative contracts for hedging purposes	538	979	62,220	407,960	167,805	1,401,836	2,041,338
Financial liabilities at amortized cost							
Current accounts and other demand deposits	18,611,830	—	—	—	—	—	18,611,830
Savings accounts and time deposits	7,101,831	1,774,627	240,912	66,492	1,619	—	9,185,481
Obligations under repurchase agreements and securities lending	351	—	—	—	—	—	351
Borrowings from financial institutions	63,611	1,259,167	18,344	3,515,979	—	—	4,857,101
Debt financial instruments issued (*)	17,154	369,988	1,083,540	2,358,966	2,104,219	4,839,310	10,773,177
Other liabilities	273,394	50	183	183	—	—	273,810
Total liabilities	26,402,140	3,404,811	1,405,199	6,349,580	2,273,643	6,241,146	46,076,519

(*) These values do not coincide with the liquidity analysis liabilities table, due to differences in the presentation of mortgage notes issued by the Bank in both reports.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

Pricing Risk Sensitivity Analysis

The Bank uses stress tests as the principal sensitivity analysis tool for pricing risk. The Trading Book, the Accrual Book and the FVTOCI portfolio are analyzed separately. The Bank adopts this tool as it is more useful than the normal evaluations of fluctuations such as the VaR or EaR, as:

- (i) The financial crises showed fluctuations substantially in excess of those used with VaR with 99% confidence or EaR with 99% confidence.
- (ii) The crises also showed that correlations between these fluctuations are substantially different to those used to calculate VaR metrics, since there was important decoupling between the trends in market variables compared to those observed under normal conditions.
- (iii) Trading liquidity decreases dramatically during crises and especially in emerging markets. Therefore, the one-day VaR may not be representative of a situation such as the one described, given that the closing periods for exposures may be much longer than one business day. This may also occur when calculating EaR, even when determining it by considering a three-month closing period.

The impacts are determined using mathematical simulations of fluctuations in the values of market factors and estimating the changes in book and/or economic values of financial positions.

In order to comply with IFRS 7.40, the following table shows the forecast impact of extreme though feasible fluctuations in interest rates, swap yields, exchange rates and exchange rate volatilities, which are used to assess the Trading Book, Accrual Book and FVTOCI portfolio. Given that the Bank's portfolio includes positions denominated in nominal and real interest rates, these fluctuations should be aligned with extreme though feasible estimates of changes in inflation in Chile.

The exercise is implemented for the Trading Book by multiplying the sensitivities by the potential variations over a two-week time horizon as a result of mathematical simulations and the maximum historical volatility within a significant period for each of the market factors. A 4-week horizon is used for the FVTOCI portfolio. The impact of the Accrual Book is calculated by multiplying the accumulated mismatches by the forward interest rate fluctuations modeled over a three-month time horizon using the maximum historical interest rate volatility, but limited by the maximum fluctuations over a significant period. The method may overlook part of the convexity of interest rates, since this is not adequately captured when large fluctuations are modeled. In any event, given the size of these changes, the methodology is reasonably precise for the purposes and scope of the analysis.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

The following table illustrates the fluctuations resulting from the main market factors during maximum, or more adverse, stress testing for the Trading Book.

The sign of these fluctuations cause the most adverse impact in aggregate.

Average market factor fluctuations for the maximum stress exercise						
Trading Book						
	CLP Derivatives (bps)	CLP Bonds (bps)	CLF Derivatives (bps)	CLF Bonds (bps)	USD Offshore Libor Derivatives (bps)	USD Spread On/Off Derivatives (bps)
Under 1 year	5	226	124	236	(20)	(41)
Over 1 year	9	124	42	153	7	(24)

bps = basis points

The worst impact in the Bank's Trading Book as of December 31, 2022, as a result of the simulations described above, is as follows.

Maximum Stress Exercise	
Trading Book	
(MCh\$)	
Interest rates in CLP	(4,076)
Derivatives	143
Debt instruments	(4,219)
Interest rates in CLF	(4,100)
Derivatives	(331)
Debt instruments	(3,769)
USD offshore interest rates	(267)
USD local/offshore interest rate spreads+basis	(294)
Bank Spread	19
Total Interest Rate	(8,718)
Total Exchange Rate and Foreign Exchanges Options	(46)
Total	(8,764)

This scenario would generate losses in the Trading Book of around Ch\$8,764 million. In any case, these fluctuations would not lead to material losses compared to Core Capital or to earnings forecasts for the next 12 months.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

The impact on the Accrual Book as of December 31, 2022, which is not necessarily a net loss/gain but higher/lower net income from funds generation for the next 12 months (resulting in generating net interest) and is shown below.

Maximum Stress Exercise over 12-months Income	
Accrual Book	
(MCh\$)	
Impact of shock on base interest rate	(355,563)
Impact of shock on spreads	(21,607)
Higher/(Lower) Net Income	(377,170)

The impact on the FVTOCI portfolio, whose changes in value are reflected in equity accounts, is summarized in the following tables. The first table illustrates the fluctuations in the main market factors during maximum, or more adverse, stress testing for this portfolio.

The sign of these fluctuations cause the most adverse impact in aggregate.

Average market factor fluctuations for the maximum stress exercise				
FVTOCI portfolio				
	CLP Bonds (bps)	CLF Bonds (bps)	USD Offshore Libor Derivatives (bps)	USD Spread On/Off Derivatives (bps)
Under 1 year	245	262	16	2
Over 1 year	163	201	28	6

bps: basis points

The worst impact in the Bank's FVTOCI portfolio as of December 31, 2022, as a result of the simulations described above, is as follows.

Maximum Stress Exercise	
FVTOCI portfolio	
(MCh\$)	
CLP Debt Instruments	(54,649)
CLF Debt Instruments	(58,257)
USD offshore interest rates	(2,794)
USD local/offshore interest rate spreads+basis	-
Bank Spread	(215)
Corporate Spread	(2,534)
Total	(118,449)

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

The scenario modeled for the FVTOCI portfolio would generate potential impacts on patrimonial accounts of approximately MCh\$118,449.

The main negative impact on the Trading Book would occur as a result of an increase in debt instruments in CLF greater than 1 year, followed by an increase in debt instruments in CLP less than 1 year, while the main impact for the FVTOCI Portfolio comes from upward fluctuations in interest rates of debt instruments in both CLP and CLF. A scenario with sharply falling nominal interest rates would cause lower potential earnings over the next 12 months in the Accrual Book.

(4) Information related to financial risks

(a) Libor Transition Project

As of December 31, 2021 Libor rates in currencies other than US\$ are no longer be published, and as of June 30, 2023 Libor rates in US\$ will no longer be published, and as of January 1, 2022 there will be no new transactions on a Libor basis, as a consequence of the decisions taken by the Financial Conduct Authority (FCA) of the United Kingdom and the recommendations of the Alternative Reference Rates Committee (ARRC) composed of the Federal Reserve Board and the New York FED. US\$ Libor may only be used in valid contracts as of 12/31/2021 until the last date Libor is published.

Therefore, the Bank has been gradually implementing the new reference risk-free rates ("RFR") since 2020 for foreign currency transactions as of January 1, 2022.

The process has been structured in 5 phases:

- **First phase**

- Identification of the risks associated with the Libor transition process by collecting information on the number of transactions, amounts involved, remaining maturities and the products and currencies.
- Regular information exchanges with major global banks regarding the RFRs that will replace Libor rates.
- Review the documents published by the ARRC with its recommendations.

- **Second phase**

- Preparation and presentation to the CMF of Banco de Chile's situational analysis in 2021, as a result of terminating Libor. This included reporting the information gathered during the first stage and the impact of terminating Libor on the Bank's products and departments.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(4) Information related to financial risks (continued)

(a) Libor transition project (continued)

- **Third phase**

- Definition of the RFRs to be used for each currency, such as daily SOFR, forward SOFR, TONAR, SONIA, etc.
- Implementation of RFRs in the Bank's systems

- **Fourth phase**

- Testing financial transactions and reviewing whether RFRs have been correctly accrued.
- Preparation of documentation for RFRs.

- **Fifth phase**

- Renegotiation of contracts with floating Libor rate and maturity after June 2023.

These stages were successfully completed by the end of 2021 and the Bank has been operating with the new RFRs since the beginning of 2022.

- **Phase currently in progress**
- **Renegotiation of contracts with affected customers**

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(4) Information related to financial risks (continued)

b) Offsetting financial assets and liabilities

The Bank negotiates financial derivatives with foreign counterparties using ISDA Master Agreement documentation (International Swaps and Derivatives Association, Inc.), under legal jurisdiction of the city of New York, USA, or the City of London, United Kingdom. The legal framework in these jurisdictions, along with the documentation mentioned, grants Banco de Chile the right to anticipate the maturity of transactions and simultaneously offset the net value of those transactions in case of default by the respective counterparty. The Bank has also agreed with counterparties an additional appendix (CSA credit support annex) which includes other credit mitigating elements such as providing margins over a certain threshold of net value of transactions, early termination (optional or mandatory) of transactions on certain future dates, coupon adjustment of transactions in exchange for payment of the debtor counterparty over a certain threshold amount, etc.

Contracts that can be offset are detailed as follows.

	Fair value in statement of financial position		Negative fair value contracts with right to offset		Positive fair value contracts with right to offset		Financial guarantees		Net fair value	
	2022 MCh\$	2021 MCh\$	2022 MCh\$	2021 MCh\$	2022 MCh\$	2021 MCh\$	2022 MCh\$	2021 MCh\$	2022 MCh\$	2021 MCh\$
Financial derivative contract assets	2,987,106	2,983,298	(1,014,141)	(1,259,233)	(1,508,710)	(782,776)	(180,863)	(327,840)	283,392	613,449
Financial derivative contract liabilities	3,324,498	2,773,199	(1,014,141)	(1,259,233)	(1,508,710)	(782,776)	(302,571)	(275,191)	499,076	455,999

(5) Operational risk

The Bank aims to monitor and control its exposure to losses from deficiencies or failures in internal processes, staff or systems, or from external events. This definition includes legal risks and excludes strategic and reputation risks.

Operational risk is inherent to all activities, products and systems, as well as strategic, business and support processes throughout the organization. All bank employees are responsible for managing and controlling operational risks, since they may cause direct or indirect financial losses.

The Bank has addressed this risk by creating a Regulatory Framework and a governance structure commensurate with the volume and complexity of its business. This risk is managed by the Retail Credit Risk and Global Risk Control Division, which has created an Operational Risk Department. It is supervised by the "Senior Operational Risk Committee" and the "Operational Risk Committee".

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(5) Operational risk (continued)

The Operational Risk Policy defines a comprehensive management framework that includes identifying, evaluating, controlling, mitigating, monitoring and reporting these risks. Comprehensive management requires executing several structured initiatives as follows:

- Process assessment. This aims to identify, assess and monitor the risks and controls related to the Bank's processes, along with determining acceptable risks and mitigation plans when risks exceed these limits, which ensures that the Bank can adequately control its operational risks.
- Control testing. This evaluates the operational effectiveness of operational risk controls using effectiveness tests. It verifies whether these controls have been correctly designed and implemented to prevent or detect a material error and safeguard reasonable security.
- Event management: This initiative analyzes, controls and reports to governance bodies any significant operational risk events, regardless of whether they produce losses, and promotes mitigating measures that ensure that the control environment is adequate and can prevent these events from recurring.
- Loss-based management. This initiative controls, accounts for and reports any operational losses recorded by departments. It ensures compliance with the regulatory requirements for calculating operational risk weighted assets.
- Fraud management. This initiative analyzes internal and external information to identify sources of risk and how they behave. It defines and drives mitigation measures, in order to improve security for our customers and reduce any associated financial losses. The Bank has carefully mitigated these risks by establishing a fraud prevention and management model that includes a governance structure, roles and responsibilities for each department and the processes that play a role in managing these risks.
- Operational risk assessment for projects. The Bank is constantly developing projects, as it frequently creates products and services, implements large-scale technologies and changes its operational processes. Projects may encounter new risks during their implementation that must be properly mitigated by incorporating robust controls before implementation is completed. Therefore, it uses a methodological framework and specific tools to assess these risks and controls, establish general risk exposure limits and develop appropriate mitigation plans when required.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(5) Operational risk (continued)

- Supplier management. This initiative identifies, manages and monitors risks stemming from outsourced services. Accordingly, the Bank has a governance framework, a regulatory framework and a supplier management model that includes a risk and criticality analysis associated with outsourced services and an assessment and monitoring scheme with special focus on those it considers important or critical.
- Risk Appetite Framework and Profile. Operational risk management is aligned with Banco de Chile's Risk Appetite Framework (RAF). Metrics with management thresholds have been defined to monitor compliance with the corporation's risk appetite. The annual Comprehensive Risk Measurement (CRM) exercise determines the Bank's inherent risk profile, using methods that measure its profile for all aspects of operational risk management.
- Self-Assessment Matrix. This process ensures that the Bank's management analyzes and expresses its opinion on its own management performance every year, particularly in relation to operational risk.
- Relations with external entities. This process coordinates, prepares and provides information for operational risk inspections by external entities.
- Control over subsidiaries. This process verifies Operational Risk Policy at each subsidiary in relation to the Bank. It reviews management performance at these subsidiaries and reports to their respective governing bodies. It reviews the corrective measures that apply to any deviations or contingencies that could affect the subsidiaries or the Bank.
- Corporate training plan. The Bank has established annual training that constantly promotes an operational risk management culture throughout the corporation and reinforces the responsibility of each employee to carefully manage operational risk. This training considers various aspects of operational risk management and uses several communication tools and methods.

The combination of all these initiatives, together with the regulatory framework and corresponding governance structure, comprise comprehensive operational risk management. It focuses on identifying the root cause of risks in order to prevent their occurrence and mitigate any potential consequences. Each risk may require an action plan or indicators that ensure it is suitably monitored.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(5) Operational risk (continued)

The exposure to net loss, gross loss and recoveries for operational risk events as of December 31, 2022 and 2021 are as follows.

Category	December 2022			December 2021		
	Gross loss	Recoveries	Net loss	Gross loss	Recoveries	Net loss
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Internal fraud	77	(7)	70	—	—	—
External fraud	16,197	(5,806)	10,391	11,090	(3,805)	7,285
Labor and safety practices in the workplace	1,391	(3)	1,388	630	—	630
Customers, products and business practices	1,082	—	1,082	550	(1)	549
Damage to property, plant and equipment	527	(3)	524	556	(342)	214
Business interruption and system failures	175	—	175	209	(17)	192
Process execution, delivery and management	4,691	(425)	4,266	4,046	(75)	3,971
Total	24,140	(6,244)	17,896	17,081	(4,240)	12,841

Business Continuity

The Bank has a Business Continuity Department that manages the associated policies, standards and procedures, and ensures their compliance within the Bank and its subsidiaries.

The Business Continuity Department defines the overall and regulatory framework, and it manages business continuity strategy and control in the Bank's operational and technological lines. It develops alternative operating plans and it executes tests to reduce the impact of disruptive events. It provides the organization with resilience by establishing integrated strategies to ensure the safety of employees, protect the Bank's assets in catastrophic scenarios, keep documentation up to date and arrange the associated training courses and simulations.

The Business Continuity Department uses methods and controls that help the organization to implement the integrated model, mainly represented by the following.

- **Document management.** This process involves methodically updating the documentation that supports Business Continuity, with the aim of keeping the Bank's strategy under BCM guidelines up to date and understood. These documents are the Business Continuity Policy, Business Continuity Standards, Business Continuity Testing Standard, Crisis Management Manual, Continuity Plans and Technology Recovery Procedures.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(5) Operational risk (continued)

- **Business continuity testing.** This refers to annual simulations that address the Bank's five operational and technological risk scenarios. These are a technological infrastructure failure, physical infrastructure failure, large-scale staff absence, critical supplier failure and a cyber-security attack. It continually trains critical staff operating the payment chain in the emergency procedures that support the Bank's critical products and services.
- **Crisis management.** This internal Bank process maintains and trains the main executive roles associated with Crisis Groups, together with the main strategic recovery processes and structures in the business continuity model, in order to strengthen departments involved in preparing, executing and monitoring these processes. This will ensure that the Bank can handle crises.
- **Critical supplier management.** This process manages, controls and tests Business Continuity Plans implemented by suppliers involved in processing critical products and services for the Bank. These plans are associated with the risks directly related to that service.
- **Alternative site management.** This process manages and controls secondary physical locations for the Bank's critical units, in order to continue operating if services at its principal location fail. The objective is to safeguard the technological and operational functionality of alternative sites, in order to reduce recovery times in the event of a crisis and to ensure that activation is effective when required.
- **Relationship with subsidiaries and external organizations.** This process manages, controls and compares subsidiary's compliance with the Bank's methods and strategies during crises and business continuity management. It includes overall management of the requirements set by internal and external regulators.
- **Continual improvement.** This process applies automation and sufficiency to the resources used by internal processes within the business continuity model, in order to improve response times to information received during emergencies that complement the processes managed by business continuity management.
- **Training.** This includes the development and implementation of processes and initiatives using various learning methods that empower and equip employees to apply the business continuity model.

The business continuity model of Banco de Chile constitutes managing and unifying these processes, together with complying with regulations and structured governance.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.44 – Risk management (continued)

(5) Operational risk (continued)

Cyber-security

The Cyber-defense Department protects information by proactively managing threat detection, response and containment. This department assertively and promptly manages cyber-security incidents. It minimizes the impact and improves response times, in order to protect the Bank's business. The Cyber-security Engineering Department defines, implements and maximizes cyber-threat protection technologies, and it defines and maintains the security architecture. The Technology Risk Department identifies, assesses, resolves and reports on information security, technology and cyber-security risks, and it manages the technology risks within the Bank's projects. The Strategic Management Department defines, manages and monitors compliance with the Cyber-security Division's Strategic Plan. It ensures that resources are effectively and efficiently used, and it provides and monitors the Cyber-security guidelines for suppliers. Finally, the Assurance Department ensures compliance with the Cyber-security Strategic Plan, and the associated policies, procedures and regulatory framework. It develops and implements the Cyber-security Awareness Program.

Note 40.45 – Information on regulatory capital and capital adequacy indicators

Capital requirements and management

The Bank's main capital management objectives are to ensure the adequacy and quality of its consolidated capital, based on adequately managing the risks inherent to its business, establishing sufficient capital in an internal objective that supports both business strategy in normal circumstances and in short and medium term stress scenarios, thus ensuring compliance with regulatory requirements, material risk coverage, a solid credit rating and adequate capital buffers. During 2022, the Bank has comfortably complied with its capital requirements and internal capital sufficiency targets.

The Bank's capital management policy has established capital sufficiency warnings and limits, which are monitored by its associated governance structures, including the Capital Management Committee. None of the internal warnings in the Bank's capital risk appetite framework were triggered during 2022.

The Bank manages capital based on its strategic objectives, risk profile, cash flow capacity, and its economic and business context. Therefore, the Bank can change its dividends, issue core capital instruments, or issue additional Tier 1 or Tier 2 instruments. The Bank's capital sufficiency is monitored using the ratios and rules instructed by the CMF, and the internal limits and warnings selected by the Capital Management Committee and the Board of Directors.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.45 – Information on regulatory capital and capital adequacy indicators (continued)

Capital requirements and management (continued)

Capital requirements

According to the General Banking Law, a bank's regulatory capital may not be less than 8% of its risk-weighted assets (RWA), net of required provisions. Also, that core capital may not be less than 4.5% of its RWA or 3% of its total assets net of required provisions. Tier 1 capital is the sum of core capital and Tier 1 additional capital, where the latter is composed of perpetual bonds and preferred shares, which may not be less than 6% of its RWA net of required provisions. Banks must have capital buffers, such as the conservation buffer, systemically important buffer, countercyclical buffer and pillar 2 capital charges, as required by current regulations.

The Basel III standard

During 2019, the CMF began the regulatory process to implement the Basel III standards in Chile, in accordance with Law 21,130 that modernizes banking legislation. During 2020 and 2021, the CMF issued the regulations for local banks to adopt the Basel III standards, which became applicable as of December 1, 2021. The regulations include standard methods for calculating credit, operational and market risk-weighted assets, regulatory capital, leverage ratio and systemically important banks. The regulations describe requirements and conditions applicable to: (i) proposed internal models to calculate certain risk-weighted assets, (ii) the issuance of Tier 1 and 2 additional capital hybrid instruments, (iii) market disclosure requirements (Pillar 3), (iv) the principles for calculating countercyclical and conservation capital buffers, (v) additional requirements that may apply to systemically important banks, (vi) the additional capital calculation criteria for banks with deficiencies identified in the supervisory process (Pillar 2).

These Basel III bank solvency standards include transitional provisions. Such as i) the gradual adoption of the conservation buffer, requirements for systemic banks and repeal the requirements of Article 35 of General Banking Law, ii) the gradual application of regulatory capital changes, iii) the temporary substitution of additional Tier 1 (AT1) capital for Tier 2 capital instruments, which are subordinated bonds and additional provisions, and iv) the gradual recognition of subordinated bonds issued by banking subsidiaries as regulatory capital. During 2022, the CMF has continued to refine and clarify the application of capital regulations.

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.45 – Information on regulatory capital and capital adequacy indicators (continued)

Information on regulatory capital and capital adequacy indicators is as follows.

Total assets, risk-weighted assets and regulatory capital components under Basel III		Local and global consolidation Dec-2022	Local and global consolidation Dec-2021
Number	Description	MCh\$	MCh\$
1	Total assets according to the statement of financial position	55,255,362	51,702,439
2	Investment in unconsolidated subsidiaries	—	—
3	Assets discounted from regulatory capital, other than item 2	165,833	61,953
4	Derivative loan equivalents	1,276,512	1,782,784
4.1	Financial derivative contracts	2,987,106	2,983,298
5	Contingent loans	2,756,396	2,612,170
6	Assets generated by the intermediation of financial instruments	—	—
7	= (1-2-3+4-4.1+5-6) Total assets for regulatory purposes	56,135,331	53,052,142
8.a	Credit risk-weighted assets, estimated using standard method (CRWA)	30,347,356	28,278,181
8.b	Credit risk-weighted assets, estimated using internal methods (CRWA)	—	—
9	Market risk-weighted assets (MRWA)	1,365,367	1,342,767
10	Operational risk-weighted assets (ORWA)	3,630,835	2,946,980
11.a	= (8.a/8.b+9+10) Risk-weighted assets (RWA)	35,343,558	32,567,928
11.b	= (8.a/8.b+9+10) Risk-weighted assets, after applying the output floor (RWA)	35,343,558	32,567,928
12	Equity attributable to owners	4,858,325	4,223,013
13	Non-controlling interests	2	1
14	Goodwill	—	—
15	Excess minority investments	—	—
16	= (12+13-14-15) Common equity tier 1 equivalent (CET1)	4,858,327	4,223,014
17	Additional deductions to common equity tier 1, other than item 2	(18,940)	—
18	= (16-17-2) Common Equity Tier 1 (CET1)	4,839,387	4,223,014
19	Voluntary additional provisions as Additional Tier 1 capital (AT1)	176,718	325,679
20	Subordinated bonds as Additional Tier 1 capital (AT1)	—	—
21	Preferred shares as Additional Tier 1 capital (AT1)	—	—
22	Bonds with no fixed maturity as Additional Tier 1 capital (AT1)	—	—
23	Discounts applied to AT1	—	—
24	= (19+20+21+22+23) Additional Tier 1 capital (AT1)	176,718	325,679
25	= (18+24) Tier 1 Capital	5,016,105	4,548,693
26	Voluntary additional provisions as Tier 2 capital (T2)	379,342	214,573
27	Subordinated bonds as Tier 2 capital (T2)	972,550	871,079
28	= (26+27) Tier 2 capital equivalent (T2)	1,351,892	1,085,652
29	Discounts applied to T2	—	—
30	= (28-29) Tier 2 capital (T2)	1,351,892	1,085,652
31	= (25+30) Regulatory capital	6,367,997	5,634,345
32	Additional core capital required for the conservation buffer	441,805	203,553
33	Additional core capital required for the countercyclical buffer	—	—
34	Additional core capital required for systemic banks	110,451	—
35	Additional capital required for sufficient regulatory capital (Pillar 2)	—	—

Notes to the Consolidated Financial Statements
(Translation of financial statements originally issued in Spanish – See Note 2)

Note 40 – Additional notes (continued)

Note 40.45 – Information on regulatory capital and capital adequacy indicators (continued)

Basel III solvency indicators and regulatory compliance indicators	Local and global consolidation December-2022	Local and global consolidation December-2021
	%	%
Leverage indicator	8.62%	7.96%
The Bank's leverage indicator, considering the minimum requirements	3%	3%
Core capital indicator	13.69%	12.97%
The Bank's core capital indicator, considering the minimum requirements	4.81%	4.50%
Capital buffer deficit	0%	0%
Tier 1 capital indicator	14.19%	13.97%
The Bank's Tier 1 capital indicator, considering the minimum requirements	6.00%	6.00%
Regulatory capital indicator	18.02%	17.30%
The Bank's regulatory capital indicator, considering the minimum requirements	8.00%	8.00%
The Bank's regulatory capital indicator, considering the charge for Article 35 bis	8.00%	9.5%
The Bank's regulatory capital indicator, considering the minimum requirements, conservation buffer and countercyclical buffer	9.25%	8.625%
Solvency rating	A	A
Regulatory solvency compliance indicators		
Additional voluntary provisions as Tier 2 capital (T2) in relation to CRWAs	1.25%	0.76%
Subordinated bonds as Tier 2 capital (T2) in relation to core capital	20.02%	20.63%
Additional Tier 1 capital (AT1) in relation to core capital	3.65%	7.71%
Voluntary additional provisions and subordinated bonds as Additional Tier 1 capital (AT1) in relation to RWAs	0.50%	1.00%

Note 40.46 – Subsequent events

The consolidated financial statements for Banco de Chile for the year ended December 31, 2022, were approved by the Board of Directors on January 26, 2023.

- a) On January 6, 2023, a placement was made in the local market of senior, virtual, bearer bonds issued by Banco de Chile and registered in the Securities Registry of the Financial Market Commission under number 11/2022.

The placement terms were as follows:

Series GI bond totaling UF 4,000,000 maturing on September 1, 2035 and at an average placement rate of 2.61%.

- b) On January 26, 2023, the Board of Directors of Banco de Chile agreed to call an Annual General Shareholders' Meeting for March 23, 2023, in order to propose the following dividend distribution for the year ended December 31, 2022, and other matters:
- i. Deduct and retain from net distributable income for the year an indexation adjustment on the share capital and reserves for the change in the Consumer Price Index between November 2021 and November 2022, amounting to Ch\$542,504,045,836, which will be added to retained earnings for previous years.
 - ii. Distribute the remaining net distributable income as a dividend of Ch\$8.58200773490 per share payable for each of the Bank's 101,017,081,114 shares.

Consequently, the proposed dividend will be 61.5% of net income for the year ended December 31, 2022.

In management's opinion, there are no other significant subsequent events that affect or may affect Banco de Chile's consolidated financial statements between December 31, 2022, and the date of issuance of these consolidated financial statements.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 41 – Material events

Quiñenco S.A. reported a Material Event on April 7, 2022:

"In accordance with Articles 9 and the second paragraph of Article 10 of Law 18,045 on the Securities Market, and General Standard 30 and Circular 660 issued by the CMF, being duly empowered to do so, it is my duty to report as a material event that a meeting of the Board held on April 7, 2022 proposed that at the next Annual General Shareholders' Meeting to be held on April 29, 2022, the shareholders approve the distribution of a final dividend composed of:

(i) A minimum mandatory dividend of Ch\$567,943,692,204, equivalent to 30% of net income attributable to the owners of the controller for 2021, where Ch\$284,767,001,333 was already paid as an interim dividend in November 2021, therefore, a dividend of Ch\$283,176,690,871 is to be distributed at this time.

This dividend corresponds to Ch\$170.30525 (one hundred and seventy point three zero five two five Chilean pesos) per share, and will be proposed to be paid from May 2, 2022, to the shareholders registered in the respective registry at midnight on the fifth business day prior to that date, which will be April 26, 2022.

Shareholders can opt for the transitory legal regime described in the twenty-fifth transitory article of Law 21,210 ("ISFUT Regime") that applies to a portion of this dividend. They must authorize the Company in advance to withhold and remit tax in lieu of the FUT ("ISFUT") of 15.26702% of their dividend under that regime. Specifically, the dividend per share described in the preceding paragraph: (a) Ch\$152.10289 Chilean pesos per share are eligible for the ISFUT Regime; and (b) Ch\$18.20236 Chilean pesos per share are not eligible for the ISFUT Regime.

The authorization from shareholders interested in exercising this option must be sent to the Company no later than 5:00 p.m. on April 26, 2022, using the form called "Instructions to Pay Substitute Tax". This form will be available to shareholders as of April 14, 2022, on the Company's website www.quinenco.cl, which is the date that the first notice of the Annual General Shareholders' Meeting will be published in the newspaper El Mercurio de Santiago.

The Company will make further information on the optional ISFUT regime available to shareholders in a document entitled "Information on the optional substitute tax regime", which will be available as of April 14, 2022 on the Company's website www.quinenco.cl.

(ii) An additional dividend amounting to the equivalent in Chilean pesos of €561,996,115 (five hundred and sixty-one million, nine hundred and ninety-six thousand, one hundred and fifteen euros).

This dividend is equivalent to €0.33799 (zero point three three seven nine nine euros) per share, and will be proposed to be paid from June 24, 2022, to the shareholders registered in the respective registry at midnight on the fifth business day prior to that date, which will be June 17, 2022.

This additional dividend will be paid in its equivalent in Chilean pesos, using for these purposes (a) the Euro/US dollar WM/R exchange rate published by Reuters at 4:00 p.m. London time on June 8, 2022, and (b) the official US dollar exchange rate published by the Chilean Central Bank in the Official Gazette on June 9, 2022, which will be informed in due course.

The denomination in euros of this additional dividend and the exchange rate referred to above are due to the need to match the currency of the dividend that Quiñenco S.A. will receive from its subsidiary Compañía Sud Americana de Vapores S.A. announced today, which also matches the currency of the dividend it will receive from its investment in the German shipping company, Hapag-Lloyd A.G. ”

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 41 – Material events (continued)

SM SAAM reported a Material Event on May 6, 2022.

"In accordance with Articles 9 and the second paragraph of Article 10 of Law 18,045 and General Standard 30, being duly empowered to do so, it is my duty to report the following material event as representative of SOCIEDAD MATRIZ SAAM S.A. (hereinafter "SM SAAM").

On this date, SM SAAM, through its subsidiary SAAM Towage Brasil S.A. (hereinafter "ST Brasil"), signed an agreement with the Brazilian company Starnav Serviços Marítimos Ltda. (hereinafter "Starnav"), which contained the terms and conditions to acquire the 17 tug boats to operate its towage business in Brazil and 4 tug boats under construction, which would be delivered within the next 12 months.

The total price agreed for the 17 tug boats in operation is US\$150 million and the total price agreed for the 4 tug boats under construction is US\$48 million. The financial debt of the tug boats in operation, as well as the financial debt committed for the tug boats under construction would be assumed by ST Brasil and thus be deducted from the price to be paid to Starnav. The financial debt associated with the 17 tug boats in operation is estimated at closing at US\$65 million, bringing the disbursement for the 17 tug boats in operation to US\$85 million.

The 17 tug boats in operation are state-of-the-art, have an average age of 6.9 years, are all azimuthal and have an average bollard pull of 74 metric tons. The tug boats under construction will also be azimuthal and will have 80 metric tons of bollard pull each.

ST Brasil currently operates 51 tug boats. Once concluded, this deal will help modernize its fleet, increase its growth capacity and strengthen its position in Brazil. It will also allow SM SAAM to continue consolidating its leadership in the towage market in the Americas.

This deal is subject to approval from the appropriate regulators in Brazil and compliance of other conditions that are customary for this type of transaction.

In accordance with the provisions of Circular No. 988 of the Financial Market Commission, we inform you that as of this date the impact of the events reported in this communication on SM SAAM's results cannot be precisely determined yet.

By virtue of this material event, the Financial Market Commission is hereby informed of the termination of the confidential nature of the previous communications from SM SAAM regarding this transaction."

On October 4, 2022, the subsidiary Sm SAAM reported the following material event.

"In accordance with Articles 9 and the second paragraph of Article 10 of Law 18,045 on the Securities Market and General Standard 30, being duly empowered to do so, it is my duty to report the following material event regarding Sociedad Matriz SAAM SA (hereinafter "SM SAAM" or the "Company").

On this same date, the company entered into an agreement with Hapag-Lloyd Aktiengesellschaft ("Hapag-Lloyd") (the "Agreement") in which it agreed to sell (i) 100% of the shares of the companies SAAM Ports S.A. and SAAM Logistics S.A., both direct subsidiaries of SM SAAM, and (ii) certain real estate owned by the indirect subsidiary of SM SAAM, Inmobiliaria Marítima Portuaria S.A., where SAAM Logistics S.A. currently operates (the "Real Estate Assets"). This transaction is subject to certain regulatory approvals both in Chile and abroad and must comply with other conditions that are customary for this type of operations. Upon completion of this transaction, SM SAAM will sell its entire port terminals business operation to Hapag-Lloyd, which includes 10 terminals in 6 countries in the Americas and the entire inland logistics business (the "Transaction"). Subsequent to this transaction, SM SAAM will continue to operate its activities in the towage and air cargo logistics industry.

The total value agreed for the assets of SAAM Ports S.A., SAAM Logistics S.A. and the real estate assets amounts to US\$1,137 million. The closing price for the shares of both companies and the real estate assets, after deducting the net financial debt proportional to ownership of the underlying assets, is approximately US\$1,000 million, after customary adjustments for such transactions.

The agreement is subject to the fulfillment of certain conditions precedent, including obtaining the necessary authorizations as indicated above. It contemplates granting representations and guarantees, as well as affirmative and negative obligations, in addition to the other usual stipulations for this type of transaction.

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 41 – Material events (continued)

It is estimated that the transaction will produce a net gain after costs, taxes and associated expenses of approximately US\$ 400 million for the Company, in accordance with the provisions of Circular 988 issued by the Financial Market Commission,

It is hereby noted that, since this is a transaction with a related party, in compliance with the procedure established in Titles VI and XVI of Law 18,046 on Corporations, the Agreement was authorized by the unanimous vote of the directors without stake in the decision, i.e., with the abstention of the directors related to the controlling group, at an extraordinary board meeting held yesterday, October 3, 2022.

Likewise, given that the materialization of the Transaction will require prior authorization at an extraordinary shareholders' meeting of SM SAAM in accordance with the provisions of Articles 57 No. 4 and 67 No. 9 of Law 18,046, the Board of Directors agreed to summon the shareholders of SM SAAM to an extraordinary meeting to be held on October 19, 2022, at 9:00 a.m., at the Ritz Carlton Hotel - Santiago, located at El Alcalde No. 15, Las Condes.

Specifically, the directors agreed that the purpose of the aforementioned extraordinary shareholders' meeting is for the shareholders to decide on the following matters:

1. The sale of all shares of SAAM Ports S.A. and SAAM Logistics S.A. to Hapag-Lloyd Aktiengesellschaft, as well as the real estate owned by Inmobiliaria Marítima Portuaria S.A., where SAAM Logistics S.A. currently operates, subject to obtaining the required regulatory authorizations and complying with the terms and conditions in the respective contract.
2. Performing all other acts and signing all other contracts required to close the Transaction.

If the shareholders approve the transaction, the respective agreement will give dissenting shareholders the right to withdraw in accordance with the terms of number 5) of Article 69 of Law No. 18,046 on Corporations and other applicable legal and regulatory provisions, which may be exercised by dissenting shareholders within 30 days from the date on which the conditions are met regarding the materialization of the Transaction.

The Board of Directors agreed to propose at the shareholders' meeting that Transaction approval be subject to the condition that the right of withdrawal not be exercised by more than 5% of the shares of SM SAAM, and shareholders may delegate to the company's Board the power to waive this condition.

SM SAAM will keep the CMF and the market duly informed of any relevant development to be communicated in this regard.

By virtue of this material event the Financial Market Commission is hereby informed of the termination of the confidential nature of the previous communications from SM SAAM regarding these negotiations.”

Notes to the Consolidated Financial Statements (Translation of financial statements originally issued in Spanish – See Note 2)

Note 41 – Material events (continued)

SM SAAM reported a material event on October 19, 2022.

"Pursuant to the provisions of Article 9 and the second paragraph of Article 10 of Law 18,045, and General Rule 30, duly authorized to do so, I hereby inform you of a material event of Sociedad Matriz SAAM S.A. ("SM SAAM" or the "Company") that at an Extraordinary Shareholders' Meeting held on this date (the "Meeting"), the shareholders approved the following resolutions:

They approved the sale of all the shares in the subsidiaries SAAM Ports S.A., and SAAM Logistics S.A. to Hapag-Lloyd Aktiengesellschaft, together with real estate owned by the indirect subsidiary of SM SAAM, Inmobiliaria Marítima Portuaria S.A., where SAAM Logistics S.A. currently operates, subject to obtaining the required governmental permits and complying with the terms and conditions in the agreement signed by the Company and Hapag-Lloyd Aktiengesellschaft on October 4, 2022, called the Share Purchase Agreement (the "Transaction").

They approved performing all the acts and signing all the contracts required to close the Transaction. They agreed that the Transaction was subject to the condition that the right of withdrawal is not exercised with respect to a percentage of shares greater than 5% of the shares of SM SAAM, and they delegated the authority to waive this condition to the Board of Directors, if deemed in the Company's corporate interest.

Pursuant to Article 69 No. 3 of the Corporations Law, the approval at the shareholders' meeting of the disposals referred to in Article 67 No. 9 of the same law grants dissenting shareholders the right to withdraw from SM SAAM, in which case the company must acquire the shares of such shareholders. For these purposes, a dissenting shareholder is considered to be a shareholder who, at this meeting, has opposed the resolution giving the right to withdraw, or who, not having attended the meeting, expresses their dissent in writing to the company within 30 days from the date of the meeting. The right of withdrawal must be exercised for the total number of shares that the dissenting shareholders had registered in their name in the company's Shareholders' Registry at the time they determine their right to participate in the meeting, i.e., at midnight on October 12, 2022, and that they maintain on the date they communicate to the company their intention to withdraw.

The right of withdrawal, pursuant to Article 70 of the Corporations Law and Article 127 of its Regulations, must be exercised by the dissenting shareholder within 30 days from the date of the meeting, i.e., until November 18, 2022.

Quiñenco S.A. did not report any other material events between January 1 and December 31, 2022.

Management's Analysis of the Consolidated Financial Statements As of December 31, 2022

I. Summary

During 2022, Quiñenco achieved net income² of Ch\$3,535,322 million, significantly higher than net income for 2021. This substantial increment was largely driven by the performance of the shipping liner Hapag-Lloyd, CSAV's main asset, which reported net income of US\$17,946 million during 2022, up from US\$10,738 million in 2021. The year was initially characterized by high demand for containerized transport and sustained disruption in global supply chains, which was reflected in longer response times for both vessels and containers, thus decreasing available capacity. During the second half of the year, demand for container shipping began to weaken, so that by the end of the year port congestion had largely abated. This translated into a sharp 42.9% increase in average tariffs for Hapag-Lloyd, together with stable volumes, partially offset by an increase in transport costs. This performance combined with the increase in Quiñenco's interest in CSAV during the second quarter of 2021 was reflected in a contribution of Ch\$3,220,440 million from the transport segment to its results. Furthermore, Banco de Chile, Nexans and Enex also performed well during the period, offsetting lower corporate results and lower contributions from CCU and SM SAAM. In the financial segment, Banco de Chile reported a 77.9% increase in net income, primarily attributable to higher operating revenues, largely explained by higher inflation and growth in customer income. This was partially offset by an increase in operating expenses, a higher credit loss expenses associated with credit quality returning to normal and an increase in the income tax expense. In the manufacturing segment, Nexans reported net income of €245 million in 2022, 49.4% higher than in 2021. Operating income increased by 40.5%, driven by organic sales growth of 6.3%, which reflected good performance by all segments, particularly those associated with electrification, which reported organic growth of 12.9%. In the energy segment, Enex's contribution grew by 30.5%, driven by strong revenue growth and inventory revaluation during the period, partially offset by higher expenses due to inflationary pressures and higher transportation costs. IRSA's contribution, which mainly reflects CCU's results, decreased by 55.0% compared to last year. Lower results of the Chile segment, which was affected by the negative impact of external factors on costs, were partially offset by better performance from the International Business segment, driven by revenue management initiatives, and by the Wine segment, which achieved a good performance in exports and revenue management initiatives in domestic markets. Quiñenco increased its interest in CCU following IRSA's public offering in mid-2021. In the port services sector, SM SAAM's contribution fell by 33.1%, as its net income decreased. However, this is mainly due to the accounting of a deferred tax expense of US\$33.6 million related to the agreement with Hapag-Lloyd to sell its port terminals and inland logistics businesses. Closure of this transaction is subject to regulatory approvals among other terms and conditions. Excluding this effect, SM SAAM's net income would have increased by 4% in US dollar terms. Finally, at Quiñenco corporate level, a greater loss was registered, largely explained by the impact of higher inflation on index-linked liabilities.

II. Analysis of Results

Quiñenco's financial statements and the analysis of its results have been separated into the banking sector and the non-banking sector, to improve understanding.

1. Analysis of the Non-Banking Sector

The following segments are included in the non-banking sector:

- a) Manufacturing
 - Invexans(Corporate³)
 - Techpack
- b) Financial
 - LQ Inversiones Financieras Holding (LQIF holding)
- c) Energy
 - Enex
- d) Transport
 - Compañía Sud Americana de Vapores (CSAV)
- e) Port Services

² Net income refers to Net income attributable to owners of the controller.

³ Invexans Corporate includes the share in Nexans and excludes Enex, which is presented in the Energy segment.

- Sociedad Matriz SAAM (SM SAAM)

f) Other

- Quiñenco and others (includes CCU, Quiñenco holding and eliminations).

As of December 31, 2022, Quiñenco directly and through its direct subsidiary Inv. Río Grande and its indirect subsidiaries Inmobiliaria Norte Verde and Inv. Río Azul owns 99.97% of Techpack and 99.85% of Invexans. As of December 31, 2022, Invexans' interest in Nexans was 28.5%⁴, which is in addition to the 0.53% interest held by Techpack.

In September and November 2021, Quiñenco acquired an additional 7.53% of SM SAAM, reaching directly and indirectly through its subsidiaries Inv. Río Bravo and Inmobiliaria Norte Verde, a 59.73% interest in SM SAAM. In November 2022, Quiñenco acquired an additional 0.29%, bringing its interest to 60.02% as of December 31, 2022.

On October 19, 2022, an Extraordinary Shareholders' Meeting of SM SAAM approved the sale of all the shares of SAAM Ports S.A. and SAAM Logistics S.A., together with associated properties, to the shipping company Hapag-Lloyd. The closure of this transaction is subject to regulatory approvals and the usual terms and conditions for such transactions. Accordingly, the entire Port Terminals and Logistics businesses have been classified as discontinued operations for 2022 and 2021 in the income statement, and SM SAAM has defined two operating segments: Towage and Others. The latter includes air cargo logistics services, corporate expenses and inter-segment eliminations.

As of December 31, 2022, CSAV has a 30.0% interest in the German shipping company Hapag-Lloyd.

Quiñenco acquired an additional 4.69% of CSAV during the second quarter of 2021. Accordingly, its direct interest and indirect interests through its subsidiaries Inv. Río Bravo and Inmobiliaria Norte Verde reached 66.45% as of December 31, 2022.

LQIF's interest in Banco de Chile was 51.15% as of December 31, 2022. Quiñenco's interest in LQIF remains at 50% as of December 31, 2022.

Invexans has two operating segments: the Corporate segment that includes its investment in Nexans, and the Energy segment that includes its investment in Enex.

The manufacturing segment in Quiñenco's financial statements includes the results of Invexans's corporate segment and Techpack. The energy segment includes the results of Invexans' energy segment.

Non-banking sector results	Figures in MCh\$	
	12-31-2022	12-31-2021
Operating income	89,164	95,110
Non-operating income	4,531,131	2,433,734
Income tax credit (expense)	163,241	(4,782)
Income from discontinued operations	19,661	36,356
Consolidated net income from non-banking sector	4,803,197	2,560,419

⁴ Ownership percentage excludes Nexans' treasury shares and corresponds to December 31, 2022.

Revenue

Revenue increased by 51.9% reaching Ch\$4,891,035 million during 2022, mainly due to increased revenue at Enex, and to a lesser extent, at SM SAAM.

The composition of revenue in comparative terms is as follows:

	Figures in MCh\$	
	12-31-2022	12-31-2021
Manufacturing		
Invexans Corporate	63	56
Techpack	25	22
Subtotal Manufacturing	88	78
Financial		
LQIF holding	-	-
Energy		
Enex	4,486,363	2,908,184
Transport		
CSAV	-	-
Port Services		
SM SAAM	404,207	310,915
Other		
Quiñenco and others	377	269
Revenue	4,891,035	3,219,447

Enex's revenue amounted to Ch\$4,486,363 million in 2022, 54.3% higher than the previous year, mainly due to higher average fuel prices in all segments, associated with an increase in international prices, together with higher volumes of fuels sold by the service station segment in Chile and the USA, and the industrial segment in Chile.

SM SAAM 's revenue amounted to Ch\$404,207 million as of December 31, 2022, up 30.0% over 2021 in Chilean peso terms, reflecting growth in the tug boat segment and, to a lesser extent, in the other segment. Revenue grew in the towage segment, driven mainly by a better mix of services and ports, together with increased volumes and entering new markets. Meanwhile, revenue increased in the other segment, mainly reflecting the air cargo logistics business in Chile, Colombia and Ecuador (Aerosan), despite a decrease in volumes handled, especially during the fourth quarter.

Cost of sales

Cost of sales increased by 55.6% during 2022, compared to last year. This was primarily due to a higher cost of sales at Enex, and to a lesser extent, at SM SAAM.

The composition of cost of sales in comparative terms is as follows:

	Figures in MCh\$	
	12-31-2022	12-31-2021
Manufacturing		
Invexans Corporate	-	-
Techpack	-	-
Subtotal Manufacturing	-	-
Financial		
LQIF holding	-	-
Energy		
Enex	(3,991,763)	(2,547,619)
Transport		
CSAV	-	-
Port Services		
SM SAAM	(284,773)	(201,446)
Other		
Quiñenco and others	(240)	(222)
Cost of sales	(4,276,776)	(2,749,286)

Cost of sales at Enex was Ch\$3,991,763 million in 2022, 56.7% higher than in 2021 mainly due to higher fuel prices, together with higher sales volumes. Cost of sales was equivalent to 89.0% of sales in 2022 and 87.6% in 2021.

SM SAAM's cost of sales in 2022 amounted to Ch\$284,773 million, up 41.4% from 2021, mainly due to higher costs in tug boats, due to a greater fleet in operation, together with increases in fuel prices, personnel costs, preventive maintenance and subcontracted tug boats. The other segment mainly corresponds to Aerosan's business, where costs were mostly affected by inflation.

Gross income

The composition of gross income in comparative terms is as follows:

	Figures in MCh\$	
	12-31-2022	12-31-2021
Manufacturing		
Invexans Corporate	63	56
Techpack	25	22
Subtotal Manufacturing	88	78
Financial		
LQIF holding	-	-
Energy		
Enex	494,601	360,565
Transport		
CSAV	-	-
Port Services		
SM SAAM	119,434	109,469
Other		
Quiñenco and others	137	47
Gross income	614,259	470,160

Gross income was Ch\$614,259 million in 2022, increasing of 30.6% over gross income reported in 2021, mainly due to an increase in gross income at Enex and to a lesser extent, at SM SAAM. Enex increased its gross income by 37.2%, reflecting higher unit margins, together with an increase in volumes and favorable inventory revaluation. SM SAAM increased its gross income by 9.1%, driven by the tug boat segment and, to a lesser extent, the other segment.

Operating income⁵

Operating income in 2022 was Ch\$89,164 million, decreasing 6.3% with respect to operating income of Ch\$95,110 million reported in 2021, mainly due to a higher operating loss at Quiñenco and others, and at CSAV, partially offset by higher operating income at Enex.

The comparative composition of operating income was as follows:

	Figures in MCh\$	
	12-31-2022	12-31-2021
Manufacturing		
Invexans Corporate	261	2,980
Techpack	(220)	(1,614)
Subtotal Manufacturing	42	1,366
Financial		
LQIF holding	(3,487)	(1,431)
Energy		
Enex	128,192	95,140
Transport		
CSAV	(33,021)	(18,043)
Port Services		
SM SAAM	65,571	61,484
Other		
Quiñenco and others	(68,133)	(43,405)
Operating income	89,164	95,110

Operating income at Enex in 2022 was Ch\$128,192 million, higher than the Ch\$95,140 million reported in 2021, mainly due to the 37.2% increase in gross income explained above, partially offset by higher administrative and sales expenses, mostly related to the higher increase in sales volumes.

Operating income at SM SAAM for 2022 was Ch\$65,571 million, 6.6% higher than the Ch\$61,484 million obtained the previous year. This increment is mainly due to the higher gross income explained above, partially offset by a 21.0% increase in administrative expenses in Chilean peso terms.

The operating loss for Quiñenco and others in 2022 was Ch\$68,133 million, greater than the operating loss of Ch\$43,405 million registered in 2021, mainly due to higher other losses and to a lesser extent, higher administrative expenses.

CSAV reported an operating loss of Ch\$33,021 million in 2022, higher than the operating loss of Ch\$18,043 million in 2021, primarily reflecting higher administrative expenses, partially offset by a non-recurring gain on the sale of property, plant and equipment in 2022.

Operating income at Invexans Corporate in 2022 was Ch\$261 million, lower than the Ch\$2,980 million reported in 2021, mainly reflecting lower dividends received and lower other gains.

⁵ Operating income includes Gross income, Other income by function, Distribution costs, Administrative expenses, Other expenses and Other gains (losses).

Non-operating income

The comparative composition of non-operating income is as follows:

	Figures in MCh\$	
	12-31-2022	12-31-2021
Finance income	33,928	6,098
Finance costs	(109,198)	(80,179)
Share of income (loss) of associates & joint ventures	4,775,369	2,598,922
Exchange differences	(8,240)	(14,642)
Loss from indexation adjustments	(160,727)	(76,465)
Non-operating income	4,531,131	2,433,734

Non-operating income reached Ch\$4,531,131 million in 2022, significantly higher than the non-operating income of Ch\$2,433,734 million registered in 2021. The most important movements were the following:

- Income from equity investments reached Ch\$4,775,369 million in 2022, substantially higher than the gain of Ch\$2,598,922 million reported in 2021, mainly due to the increase in CSAV's share in Hapag-Lloyd's results, adjusted for fair value accounting, with an increase of Ch\$2,186,631 million. Nexans also contributed, although to a lesser extent, with an increase of Ch\$24,944 million, to reach a total contribution of Ch\$65,249 million in 2022. IRSA's contribution, however, decreased by 55.0% to Ch\$26,138 million, mainly reflecting the lower performance from CCU in 2022 and greater losses due to higher inflation on IRSA's indexed liabilities. The contribution of SM SAAM's associates remained similar to the previous year, decreasing by only Ch\$40 million in 2022.

- Higher indexation losses, mainly at Quiñenco corporate level and to a lesser extent, at LQIF holding, due to the impact of higher inflation on indexed liabilities.

- Higher finance costs, mainly due to higher interest rates and increased borrowing at Enex, higher debt at CSAV, and to a lesser extent, at Quiñenco corporate due to the impact of higher inflation.

- Financial income, however, increased, mainly at Quiñenco corporate level, due to higher interest rates.

- Losses from exchange rate differences decreased to a loss of Ch\$8,240 million in 2022, 43.7% below the loss of Ch\$14,642 million in 2021, mainly attributable to Techpack and Enex.

Non-banking sector net income

	Figures in MCh\$	
	12-31-2022	12-31-2021
Net income from continuing operations before taxes	4,620,295	2,528,845
Income tax credit (expense)	163,241	(4,782)
Income from discontinued operations	19,661	36,356
Consolidated net income from non-banking sector	4,803,197	2,560,419

Consolidated non-banking sector net income was Ch\$4,803,197 million in 2022, significantly higher than the net income of Ch\$2,560,419 million for 2021. This was mainly explained by the increase in CSAV's results. This was driven by substantial growth in net income at the German shipping company Hapag-Lloyd, mainly due to global demand for containerized transport remaining strong, although weakening during the second half of the year, and the sustained disruption of global supply chains, which resulted in higher tariffs. To a lesser extent, this increase was also due to improved performance from Nexans, which achieved good performance in all its operating segments, with operating income increasing by 40.5% over 2021, and at Enex, explained by good operating performance and a favorable impact from inventory revaluations. These improvements were partially offset by lower results from Quiñenco corporate, mainly due to higher inflation losses on indexed liabilities and, to a lesser extent, by higher inflation losses at LQIF, together with additional deferred tax expenses at SM SAAM related to the agreed sale of its port terminals and inland logistics businesses to Hapag-Lloyd.

2. Analysis of the Banking Sector

The banking sector includes Banco de Chile, which presents its financial statements partially under IFRS in 2022 and 2021. Instructions in the Compendium of Accounting Standards for Banks (CNC) came into effect as of January 2022, therefore Banco de Chile reclassified specific items in its financial statements as of December 31, 2021. Further details can be found in Note 40.2 to the consolidated financial statements of Quiñenco S.A.

Banking sector results	Figures in MCh\$	
	12-31-2022	12-31-2021
Operating revenues	3,117,432	2,199,217
Expected credit losses	(435,117)	(357,066)
Operating expenses	(995,483)	(871,487)
Income tax expense	(275,757)	(178,280)
Consolidated net income from the banking sector	1,411,075	792,384

Operating Revenues

Operating revenues reached Ch\$3,117,432 million in 2022, 41.8% higher than in 2021. This increase is mainly due to an increment in net financial income, largely attributable to favorable increases in the value of the UF on the Bank's net asset position in UFs, a higher contribution from demand deposits due to higher interest rates and, to a lesser extent, by improved management of trading portfolios and debt instruments, and higher income from loans. These effects were partially offset by a loss on the sale of financial assets valued at fair value. Net fee income also contributed to income growth, together with higher other operating income, mainly driven by good performance from associates.

Expected credit losses

Expected credit losses at Banco de Chile were Ch\$435,118 million during 2022, higher than the Ch\$357,065 million registered in 2021. This was mainly due to an increase in provisions generated by provisioning models, in line with the customer credit quality indicators returning to normal and 6.4% growth in total average loans, mainly in the retail segment. These effects were partially offset by the establishment of less additional provisions during the year, varying from Ch\$220,000 million in 2021 to Ch\$160,000 million established during 2022, in line with the decrease in uncertainty associated with the COVID-19 pandemic and other political and economic factors.

Operating expenses

Operating expenses were Ch\$995,483 million in 2022, 14.2% higher than the Ch\$871,487 million reported in 2021. This variation was largely due to higher personnel expenses, mainly performance bonus provisions, inflation effects and severance payments, together with higher technology and other operating expenses.

Income tax expense

The income tax expense for 2022 was Ch\$275,757 million, an increase of 54.7% over the expense of Ch\$178,280 million for 2021, mainly attributable to higher pre-tax income in 2022.

Banking sector net income

Consolidated banking sector net income was Ch\$1,411,075 million for 2022, a 78.1% increase over the previous year, mainly explained by higher operating revenues, partially offset by higher operating expenses, a higher income tax expense, and greater expected credit losses during the period.

3. Net income attributable to owners of the controller

	Figures in MCh\$	
	12-31-2022	12-31-2021
Consolidated net income	6,214,272	3,352,803
Net income attributable to non-controlling interests	2,678,950	1,459,658
Net income attributable to owners of the controller	3,535,322	1,893,146

Quiñenco's consolidated net income for 2022 was Ch\$6,214,272 million, substantially higher than the previous year, due to the significant increase in consolidated net income from non-banking services, and to a lesser extent, the increase in consolidated net income from banking services.

Net income attributable to non-controlling interests was Ch\$2,678,950 million in 2022, a substantial increase over 2021. This increase is mainly due to the non-controlling interest in increased results from the transport segment and the financial services segment.

Net income attributable to owners of the controller amounted to Ch\$3,535,322 million in 2022, significantly higher than the Ch\$1,893,146 million reported as of December 31, 2021.

Management's Analysis

4. Results Analysis by Segment

The following shows the composition of results by segment.

Sector / Segment	Figures in MCh\$													
	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	As of December 31,													
Non-banking sector														
Net income from continuing operations before taxes	70,375	39,252	(39,815)	(23,692)	100,869	78,148	4,628,544	2,465,798	50,156	48,755	(189,835)	(79,417)	4,620,295	2,528,845
Income tax benefit (expense)	2,071	(203)	(1,180)	1,699	(20,749)	(16,747)	217,604	25,748	(23,051)	(23,104)	(11,454)	7,824	163,241	(4,782)
Net income (loss) from discontinued operations	-	(134)	-	-	-	-	(66)	6	18,161	36,485	1,566	-	19,661	36,356
Consolidated net income (loss) from non-banking sector	72,447	38,915	(40,995)	(21,993)	80,120	61,401	4,846,082	2,491,552	45,266	62,136	(199,723)	(71,593)	4,803,197	2,560,419
Banking sector														
Net income before taxes	-	-	1,686,832	970,664	-	-	-	-	-	-	-	-	1,686,832	970,664
Income tax expense	-	-	(275,757)	(178,280)	-	-	-	-	-	-	-	-	(275,757)	(178,280)
Consolidated net income from banking sector	-	-	1,411,075	792,384	-	-	-	-	-	-	-	-	1,411,075	792,384
Consolidated net income (loss)	72,447	38,915	1,370,080	770,392	80,120	61,401	4,846,082	2,491,552	45,266	62,136	(199,723)	(71,593)	6,214,272	3,352,803
Net income (loss) attributable to non-controlling interests	28	72	1,030,044	578,527	-	-	1,625,642	851,066	24,271	30,746	(1,036)	(753)	2,678,950	1,459,658
Net income (loss) attributable to owners of the controller (1)	72,418	38,844	340,036	191,865	80,120	61,401	3,220,440	1,640,486	20,994	31,390	(198,687)	(70,841)	3,535,322	1,893,146
EBITDA (2)	(1,665)	183	1,767,990	1,046,466	182,739	143,113	(34,749)	(18,043)	131,087	118,226	(35,263)	(27,468)	2,010,140	1,262,477

- (1) Net income attributable to owners of the controller for each segment is the final contribution from each segment, and the companies they comprise, to Quiñenco's net income. Note 1 to Quiñenco's financial statements details its interests in its principal subsidiaries and associates.
- (2) EBITDA is defined as Operating income, excluding Other gains (losses), plus Depreciation and Amortization.

Manufacturing segment

	Figures in MCh\$	
	12-31-2022	12-31-2021
Invexans Corporate	64,921	42,071
Techpack	7,497	(3,228)
Net income from manufacturing segment	72,418	38,844

The manufacturing segment contributed net income of Ch\$72,418 million to Quiñenco's net income for 2022, comparing favorably to the contribution of Ch\$38,844 million for the previous year.

Invexans

	Figures in MCh\$			
	Corporate		Consolidated	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
Revenue	63	56	4,486,426	2,908,240
Operating income	261	2,980	128,453	98,120
Non-operating income	63,588	39,368	36,266	22,377
Net income attributable to owners of the controller	65,138	42,144	145,258	103,545

Invexans reported net income of Ch\$145,258 million⁶ in 2022, up 40.3% over the net income of Ch\$103,545 million reported for the previous year. The corporate segment achieved net income of Ch\$65,138 million in 2022, which is analyzed below. The remaining net income of Ch\$80,120 million corresponds to the results of the subsidiary Enex. Please refer to the energy section for an analysis of Enex's performance.

Invexans Corporate

Invexans corporate reported net income of Ch\$65,138 million in 2022, an increase of 54.6% over net income of Ch\$42,144 million in 2021. This primarily reflects the improved performance of its main asset, the French multinational Nexans, which achieved net income of €245 million in 2022, higher than the net income of €164 million for the previous year.

Invexans Corporate reported operating income of Ch\$261 million during 2022, lower than the operating income of Ch\$2,980 million for 2021, mainly due to lower dividends received from Sonacol.

Non-operating income reached Ch\$63,588 million in 2022, higher than the net income of Ch\$39,368 million in 2021, mainly reflecting its share of its associate Nexans' net income. During the year ended December 31, 2022, sales at Nexans increased organically⁷ by 6.3% and operating income was €120 million, an increase of 40.5% over 2021, based on good performance of the electrification segments, in line with the shift towards renewable energy and the required power grid renovation. Organic sales growth in the electrification segment was 12.9%. Growth was led by the Distribution and Usages segments, which were formerly united under the construction segment. The Distribution segment increased its operating income by €32 million or 94.1%, reflecting organic sales growth of 12.7%. This was mainly value driven and associated with increased investments in electrical grid renovation along with additional digital services, mostly in North America and Europe, and the incorporation of Centelsa. The Usages segment, in turn, increased its operating income by €91 million or 85.0%, based on organic sales growth of 13.5%. This reflects the trends in urbanization, grid renewal and robust demand in all geographies, especially North America and Middle East-Africa, together with the contribution from Centelsa and the deployment of a digital services platform that supplies value-added solutions to customers. The Generation and Transmission segment (formerly the high voltage and projects segment), posted a decrease in operating income of €7 million or 7.4%, despite organic sales growth of 12.1%, driven by the submarine high voltage cable plant in Charleston, USA, which was officially inaugurated in November 2021, and the

⁶ The analysis of Invexans is based on its financial statements prepared in Quiñenco's functional currency. The functional currency of Invexans differs from that of Quiñenco.

⁷ Organic growth: Nexans compares sales on the same consolidation basis, excluding impacts such as acquisitions and divestitures between one period and another, exchange rate effects and changes in the prices of base metals.

simultaneous operation of the Aurora and Skagerrak cable-laying vessels. The segments not associated with electrification also had a positive performance, with organic sales growth of 9.9% in 2022. The Industrial segment increased its operating income by €14 million or 17.1%, based on organic sales growth of 12.3%, supported by continuous growth in automotive harnesses and automation during the year, and a favorable upturn in the mobility business. Finally, the telecommunications segment achieved operating income similar to that of 2021, as greater dynamism in North Africa, combined with stability in Europe was offset by lockdowns in Asia and a slowdown in the French market. EBITDA was €599 million in 2022, an increase of 29.4% compared to 2021. The EBITDA margin for the electrification and non-electrification businesses was 11.9% and 9.1%, respectively.

Non-operating income at Nexans decreased by €136 million, associated with raw material price changes on un-hedged inventory (a loss of €30 million for 2022 versus a gain of €106 million in 2021) mainly reflecting lower average copper prices during the current year. Nexans incurred restructuring costs of €39 million during 2022, mainly due to the North American plant conversion, together with new actions of the transformation plan, declining from the €58 million in the previous year. Other operating income was €46 million in 2022, which compares positively with the loss of €9 million for 2021, mainly attributable to gains on the sale of assets of €54 million in 2022, mostly in Germany. Net finance costs decreased by 43.6%, mainly due to impairments in 2021. Finally, income taxes increased by €18 million compared to 2021. Thus, Nexans earned net income of €245 million in 2022, significantly higher than the net income of €164 million posted in 2021.

Invexans adjusts its proportional share in Nexans' results to reflect the fair value determined for its investment in the French company. Thus, in all, this resulted in a gain for Invexans on its investment in the French company of Ch\$64,301 million in 2022, significantly higher than the gain of Ch\$39,575 million in 2021.

Invexans corporate segment registered and income tax credit of Ch\$1,288 million in 2022, compared to an income tax expense of Ch\$204 million in 2021.

Techpack

	Figures in MCh\$	
	12-31-2022	12-31-2021
Revenue	25	22
Operating loss	(220)	(1,614)
Non-operating loss	-	(134)
Net income (loss) attributable to owners of the controller	6,604	(3,817)

Net income at Techpack was Ch\$6,604 million⁸ in 2022, which compares positively to its net loss of Ch\$3,817 million for 2021, mainly attributable to an increase in non-operating income and, to a lesser extent, a lower operating loss.

Techpack's operating loss was Ch\$220 million for 2022, decreasing from the operating loss of Ch\$1,614 million in 2021, mainly due to greater dividends received.

Techpack achieved non-operating income of Ch\$6,040 million during 2022, which compares favorably with the non-operating loss of Ch\$2,071 million in the previous year, due to lower losses from exchange rate differences, better indexation results and higher financial income.

Techpack had no results from discontinued operations in 2022, which contrasts positively with the Ch\$134 million loss reported in 2021, which mostly corresponded to maintenance expenses.

The income tax credit for 2022 was Ch\$783 million, higher than the credit of Ch\$2 million in 2021.

⁸ The analysis of Techpack is based on its financial statements prepared in the functional currency of Quiñenco. Techpack's functional currency differs from that of Quiñenco.

Financial segment

	Figures in MCh\$	
	12-31-2022	12-31-2021
LQIF holding	(20,497)	(10,996)
Banking sector	360,534	202,861
Net income from financial segment	340,036	191,865

The financial segment contributed Ch\$340,036 million to Quiñenco's net income in 2022, increasing 77.2% from 2021.

Banking services correspond to Banco de Chile.

LQIF holding

	Figures in MCh\$	
	12-31-2022	12-31-2021
Operating loss	(3,487)	(1,431)
Non-operating loss	(36,327)	(22,261)
Net loss from non-banking services	(40,995)	(21,993)

LQIF holding incurred a net loss of Ch\$40,995 million in 2022, which was higher than the net loss of Ch\$21,993 million in 2021, mainly due to a higher loss on indexation units, attributable to the effect of higher inflation on debt denominated in UFs (the value of the UF rose by 13.3% in 2022, compared to 6.6% in 2021). Also, to a lesser extent, the variation is explained by higher income tax expense and higher administrative expenses, partially offset by higher net financial income.

Banco de Chile

	Figures in MCh\$	
	12-31-2022	12-31-2021
Operating revenues	3,115,793	2,199,024
Expected credit losses	(435,118)	(357,065)
Operating expenses	(995,483)	(871,487)
Net income attributable to owners of the controller	1,409,433	792,191

Net income at Banco de Chile was Ch\$1,409,433 million in 2022, an increase of 77.9% over 2021. This variation was mainly explained by higher non-customer and customer related income, partially offset by an increase in operating expenses, higher income taxes and higher expected credit losses.

Revenue increased by 41.7% or Ch\$916,769 million in 2022, mainly due to:

- An increase of Ch\$834,432 million in net financial income, due to: (i) an increase of Ch\$394,532 million in the contribution from the Bank's structural net asset position in UF given higher inflation during the year, as the value of the UF rose by 13.3% compared to 6.6% in 2021; (ii) an increase in the contribution from demand deposits of Ch\$370,866 million to the cost of funds, in a context of higher interest rates, offsetting an annual decrease in average balances of 8.0%; (iii) an increase of Ch\$49.838 million from managing the trading portfolios and debt instruments, based on higher net financial income from subsidiaries, managing the Bank's trading and investment portfolios, and income from the sales and structured products unit; (iv) an increase in income from loans of Ch\$17,640 million, attributable to an increase in commercial and mortgage loan income, partially offset by a decrease in consumer loan income, and; (v) an increase of Ch\$5,089 million in income from managing assets and liabilities, mostly attributable to recurring income from high inflation, mostly offset by losses on the sale of financial assets valued at fair value.

- An increase of Ch\$63,257 million in net fee income, mainly explained by: i) growth in transactional fees of Ch\$36,897 million, due to an increase in digital transaction volumes and the impact of inflation on tariffs; ii) an increase of Ch\$12,807 million in mutual fund management fees; iii) an increase of Ch\$5,689 million in fees from letters of credit, guarantees, collateral and other credits; iv) an increase of Ch\$5,383 million in fees from the insurance brokerage subsidiary; and v) higher fees for financial advisory services of Ch\$4,337 million, explained by a higher number of transactions.
- An increase of Ch\$19,080 million in other operating income, mainly related to investments in associates, which increased by Ch\$11,340 million, driven by Transbank's improved performance.

Banco de Chile's expected credit losses were Ch\$435,118 million in 2022, an increase of 21.9% compared to losses of Ch\$357,065 million in 2021, mainly driven by the retail segment causing 82% of the increase, excluding the effect of additional provisions. This increase is largely attributable to customer credit quality indicators returning to normal, which reflects the decrease in individual liquidity and the negative impact of inflation on disposable income. Although to a lesser extent, growth of 6.4% in average loan balances, especially in retail banking, also contributed to higher expected credit losses. These effects were partially offset by a decrease of Ch\$60,000 million in the establishment of additional provisions, with Ch\$220,000 million established in 2021 compared to Ch\$160,000 million established in 2022, in line with the decrease in uncertainty associated with the COVID-19 pandemic and other political and economic reforms, and, to a lesser extent, by the decrease in cross-border expected credit losses, attributable to the appreciation of 0.3% in the Chilean peso in 2022, compared to depreciation of 19.8% in 2021, .

The Bank had a past due portfolio over total loans indicator of 1.08% as of December 31, 2022, which was higher than the 0.85% as of December 31, 2021.

Operating expenses increased by 14.2% to Ch\$995,483 million in 2022, compared to Ch\$871,487 million in 2021. This increase was mainly due to: (i) an increase of Ch\$77,274 million in personnel expenses, due to an increase in salaries largely due to higher bonus provisions associated with the better financial performance in 2022, the effect of inflation on salaries and higher severance payments; (ii) an increase of Ch\$14,781 million in technology and communications expenses, mainly associated with software licenses, in line with the Bank's digital transformation; (iii) an increase of Ch\$8,263 million in other operating expenses, mainly due to higher expenses related to assets received in lieu of payment, higher write-offs for operational risk, and higher provisions for external fraud; (iv) an increase in depreciation and amortization of Ch\$7,407 million; (v) an increase of Ch\$6,580 million in advertising expenses, related to new face-to-face marketing and promotional campaigns for new products; and (vi) an increase in office expenses of Ch\$1,196 million related to password-generating devices, checkbooks and credit cards for customers.

The income taxes expense increased by 54.7% to Ch\$275,757 million for 2022, mainly attributable to higher net income before taxes for the period.

Energy Segment

	Figures in MCh\$	
	12-31-2022	12-31-2021
Enex	80,120	61,401
Net income from energy segment	80,120	61,401

The energy segment contributed net income of Ch\$80,120 million to Quiñenco's net income for 2022, up 30.5% over the gain of Ch\$61,401 million contributed in 2021.

Enex

	Figures in MCh\$	
	12-31-2022	12-31-2021
Revenue	4,486,363	2,908,184
Operating income	128,192	95,140
Net income attributable to owners of the controller	80,120	61,401

Enx achieved net income of Ch\$80,120 million⁹ in 2022, 30.5% higher than net income of Ch\$61,401 million in 2021, mainly due to a better operating performance, which reflected higher fuel prices together with an increase in sales volumes, partially offset by a higher non-operating loss and, to a lesser extent, a higher income tax expense.

Revenue was Ch\$4,486,363 million for 2022, which was 54.3% higher than in 2021, mainly due to higher average fuel prices in all segments, related to the increase in international prices, together with higher volumes of fuels sold in the service station segment in Chile and the USA, and the industrial segment in Chile. Furthermore, the conversion to Chilean pesos had a favorable effect. Total sales volumes in 2022 were 4,760,000 cubic meters, an increase of 7.6% over 2021, of which 99% were fuels.

Gross income was Ch\$494,601 million, 37.2% higher than the previous year, primarily attributable to the increase in fuel sales through service station and industrial channels, and the positive impact of fuel price dynamics on its inventory.

Enx's net operating income for 2022 was Ch\$128,192 million, higher than the net operating income of Ch\$95,140 million registered in 2021, mainly due to the 37.2% increase in gross income explained above and, to a lesser extent, the gain on the sale of fixed assets, partially offset by higher administrative expenses, largely attributable to selling and logistics expenses associated with the higher sales volumes in Chile and the USA, and higher provisions.

The non-operating loss was Ch\$27,323 million during 2022, an increase of 60.8% over the non-operating loss of Ch\$16,991 million during 2021, mainly due to an increase in net finance costs and a loss from equity investments, partially offset by a decrease in losses from exchange rate differences.

Transport Segment

	Figures in MCh\$	
	12-31-2022	12-31-2021
CSAV	3,220,440	1,640,486
Net income from transport segment	3,220,440	1,640,486

The transport segment contributed a gain of Ch\$3,220,440 million to Quiñenco's net income for 2022, substantially higher than the gain of Ch\$1,640,486 million for the previous year.

This higher contribution reflects improved performance from CSAV, together with an increase in Quiñenco's interest from 61.8% to 66.5% during the second quarter of 2021. Quiñenco's share in CSAV's result is adjusted for fair value accounting of this investment at Quiñenco. As of December 31, 2022, the adjustment was a lower result of Ch\$951 million (as of December 31, 2021, the adjustment was a lower result of Ch\$15 million).

CSAV

	Figures in MCh\$	
	12-31-2022	12-31-2021
Operating loss	(33,021)	(18,043)
Non-operating income	4,663,525	2,483,873
Income tax expense	217,075	25,740
Net income attributable to owners of the controller	4,847,513	2,491,575

CSAV achieved net income of Ch\$4,847,513 million¹⁰ in 2022, significantly higher than the net income of Ch\$2,491,575 million reported in 2021, primarily due to improved performance from its main asset, the German shipping liner Hapag-Lloyd.

⁹ The analysis of Enx is based on the Energu segment of Invexans' financial statements prepared in Quiñenco's functional currency. Invexans' functional currency differs from that of Quiñenco.

¹⁰ The analysis of CSAV is based on its financial statements prepared in the functional currency of Quiñenco. CSAV's functional currency differs from that of Quiñenco.

Its operating loss was Ch\$33,021 million for 2022, which was higher than the net operating loss of Ch\$18,043 million for 2021, primarily reflecting higher provisions for administrative expenses, partially offset by a non-recurring gain on the sale of real estate in 2022.

Non-operating income was Ch\$4,663,525 million for 2022, significantly higher than the non-operating income of Ch\$2,483,873 million in 2021. This favorable change is mainly due to higher income from its investment in Hapag-Lloyd. CSAV's direct share of Hapag-Lloyd's results improved substantially compared to the previous year, from a gain of US\$3,221.5 million in 2021, to a gain of US\$5,384.0 million in 2022. This share together with an adjustment to fair value that amounted to a negative adjustment of US\$1.1 million in 2021 and a negative adjustment of US\$5.7 million in 2022, led to a net increase of US\$2,157.9 million (Ch\$2,186,631 million). This effect was slightly offset by higher net finance costs.

Hapag-Lloyd's net income reached US\$17,946 million in 2022, a 67.1% increase over the net income of US\$10,738 million reported in 2021. The year 2022 was initially characterized by high demand for containerized transport and disruption in global supply chains, which was reflected in higher freight rates and longer response times for both vessels and containers, therefore decreasing available capacity. Global demand for containerized transport began to weaken during the second half of the year, so that by the end of the year port congestion was mostly relieved. In Hapag-Lloyd's case, sales reached US\$36,401 million in 2022, an increase of 38.1% compared to 2021, mostly due to a 42.9% increase in average freight rates, in response to the increase in demand for container transport and the capacity shortage, together with similar cargo volumes to 2021. Meanwhile, operating expenses increased by 18.0%, mainly due to higher average prices for consumed fuel, and higher container handling expenses. Accordingly, the German shipping company achieved earnings before interest and taxes (EBIT) of US\$18,467 million for 2022, substantially higher than the EBIT of US\$11,111 million for 2021. EBITDA reached US\$20,474 million, significantly higher than the US\$12,842 million reported in 2021. Thus, CSAV's share of Hapag-Lloyd's results, including all the effects mentioned above, amounted to a gain of Ch\$4,685,655 million in 2022, contrasting favorably to the gain of Ch\$2,499,024 million registered in 2021.

CSAV's income tax credit was Ch\$217,075 million in 2022, significantly higher than the income tax credit of Ch\$25,740 million for 2021, mainly due to higher tax costs associated with dissolving several non-operating subsidiaries.

The loss from discontinued operations was Ch\$66 million in 2022, compared to a gain of Ch\$6 million in 2021, mainly due to the car carrier business that ceased to operate in July 2020.

Port Services Segment

	Figures in MCh\$	
	12-31-2022	12-31-2021
SM SAAM	20,994	31,390
Net income from port services segment	20,994	31,390

The port services segment contributed a gain of Ch\$20,994 million to Quiñenco's net income for 2022, 33.1% lower than its contribution of Ch\$31,390 million in 2021.

The variation in the contribution of port services reflects weaker results from SM SAAM, together with the increase in Quiñenco's interest in the second half of 2021, from 52.2% to 59.7%, plus an additional 0.29% acquired in November 2022. The result for SM SAAM includes the fair value accounting of this investment at Quiñenco, corresponding to a negative adjustment of Ch\$3,055 million in 2022 and a negative adjustment of Ch\$1,871 million in 2021.

SM SAAM

	Figures in MCh\$	
	12-31-2022	12-31-2021
Revenue	404,207	310,915
Operating income	65,571	61,484
Non-operating loss	(13,294)	(11,292)

Discontinued operations	22,212	39,473
Net income attributable to owners of the controller	40,194	59,933

Following the agreement to sell its port terminals and inland logistics businesses to Hapag-Lloyd, SM SAAM defined two operating segments for continuing activities: Tug Boats and Other. The Other segment encompasses air cargo logistics operations, real estate assets, corporate expenses, and inter-segment eliminations.

SM SAAM reported net income of Ch\$40,194 million in 2022, a decrease of 32.9% in Chilean peso terms, compared to net income of Ch\$59,933 million in 2021, mainly due to the accounting impact of deferred taxes related to the transaction with Hapag-Lloyd. Excluding this effect, net income in US dollars would have increased by 4% with respect to 2021.

SM SAAM's revenue was Ch\$404,207 million in 2022, an increase of 30.0% in Chilean peso terms over 2021, mainly attributable to growth in the Tug Boat segment and, to a lesser extent, the Other segment. The increase in revenue from the Towage segment was mainly due to a better mix of services and ports, together with growth in volumes and revenue from new businesses in Peru and El Salvador. The increase in revenue from the Other segment was mainly attributable to air cargo logistics through Aerosan in Chile, Colombia and Ecuador, despite a decrease in cargo volumes during the year.

Gross income at SM SAAM was Ch\$119,434 million in 2022, 9.1% higher than gross income of Ch\$109,469 million in 2021, due to the revenue growth described above, which was partially offset by an increase in costs. The higher revenue in the Tug Boat segment was partially offset by an increase in costs, due to the larger fleet, higher fuel prices, higher personnel costs due to inflation, higher preventive maintenance, higher prices of supplies, and higher subcontracting costs. The increase in costs in the Other segment was mainly associated with inflationary pressures on personnel costs and expenses at Aerosan. Operating income was Ch\$65,571 million for 2022, 6.6% higher than the Ch\$61,484 million reported in 2021, mainly due to the increase in gross income mentioned above and higher gains on the sale of assets in Other gains and losses in the current period, partially offset by higher administrative expenses.

The non-operating loss was Ch\$13,294 million in 2022, 17.7% higher than the loss of Ch\$11,292 million in 2021. This increase was mainly attributable to losses from exchange rate differences in 2022 compared to gains in 2021, higher net finance costs and a lower contribution from associates, partially offset by a favorable variation in the result of indexation adjustments.

Net income from discontinued operations in 2022 was Ch\$22,212 million, 43.7% lower than in 2021. This decrease was mainly attributable to a non-recurring deferred tax expense of US\$33.6 million associated with the transaction agreed with Hapag-Lloyd, caused by differences between the book and tax values of SM SAAM's investments in SAAM Ports and SAAM Logistics, which anticipated some of the taxes associated with this sale. This deferred tax expense in 2022 partially offset the result from discontinued operations, mainly port terminals and inland logistics businesses. The port terminals business achieved a favorable mix of services, more than offsetting an increase in costs driven by inflation and fuel costs, along with lower transferred volumes, while the inland logistics business grew its bonded warehousing.

Income taxes decreased by 0.3% to Ch\$24,115 million in Chilean peso terms.

Other segment

	Figures in MCh\$	
	12-31-2022	12-31-2021
IRSA	26,138	58,025
Quiñenco and others	(224,825)	(128,865)
Net loss from other segment	(198,687)	(70,841)

The Other segment contributed a net loss of Ch\$198,687 million to Quiñenco's net income for 2022, substantially more than the net loss of Ch\$70,841 million in 2021, primarily due to a greater net loss from Quiñenco and others, and to a lesser extent, a decrease in the contribution from IRSA.

IRSA

IRSA, parent company of CCU, contributed a gain of Ch\$26,138 million to Quiñenco's net income in 2022, lower than its contribution of Ch\$58,025 million in 2021. This was due to a lower contribution from CCU and to a lesser extent by a higher indexation loss at IRSA.

CCU

	Figures in MCh\$	
	12-31-2022	12-31-2021
Revenue	2,711,435	2,484,712
Operating income	218,762	330,471
Net income attributable to owners of the controller	118,168	199,163

CCU reports its consolidated financial statements in accordance with its operating segments. These are defined as the geographical areas of its commercial business: Chile, International business, Wines, and Others¹¹.

CCU reported net income of Ch\$118,168 million in 2022, 40.7% lower than net income of Ch\$199,163 million obtained in 2021. Lower results from the Chile segment were partially offset by higher results from the International Business and Wine segments. The negative impact of external factors, primarily increases in raw material, packaging material and energy prices, depreciation of local currencies, and higher inflation, was partially offset by revenue growth, driven by increased average prices that reflected revenue management initiatives and efficiencies.

Sales at CCU reached Ch\$2,711,435 million in 2022, 9.1% higher than in 2021, due to a 10.3% increase in average prices in Chilean peso terms, partially offset by a 1.1% fall in consolidated sales volumes. The operating segments contributed to this sales growth as follows: sales at the International Business segment increased by 15.4%, due to a 14.2% increase in average prices in Chilean pesos, mainly attributable to revenue management initiatives in every country, together with a 1.1% increase in sales volumes. Sales at the Chile segment increased by 6.0%, boosted by an 8.3% increase in average prices, mainly attributable to revenue management initiatives, partially offset by a negative mix. Sales volumes, in turn, decreased by 2.1%, mostly due to a high basis of comparison and a weaker consumption environment. Sales at the Wine segment increased by 13.3%, due to a 13.9% increase in average prices, mainly due to the positive impact of the Chilean peso depreciating against the US dollar on export revenue and revenue management initiatives in domestic markets, despite a slight decrease in sales volumes of 0.6%.

CCU's gross income was Ch\$1,196,510 million for 2022, similar to 2021. The increase in sales was mostly offset by a 17.3% rise in cost of sales, reflecting a higher average cost per hectoliter. Gross income increased in the International Business segment and, to a lesser extent, the Wine segment, compensating lower gross income at the Chile segment. Gross income at the International Business segment increased by 16.8%, due to the growth in revenue mentioned above, partially offset by a 12.8% increase in costs per hectoliter in Chilean peso terms, mainly attributable to higher raw material and packaging costs, higher inflation and the Argentine peso depreciating by 72.1% against the US dollar, which affected costs denominated in US dollars. Gross income at the Wine segment increased by 10.9%, driven by revenue growth, partially offset by higher raw material and packaging costs, and inflationary pressures. Gross income at the Chile segment decreased by 8.6%. The revenue growth explained above was offset by a higher cost per hectoliter, attributable to higher raw material, packaging material and energy costs, the Chilean peso depreciating by 14.9% against the US dollar, and inflationary pressures. Marketing, distribution, administrative and selling expenses increased by 9.7% compared to 2021, mainly attributable to higher distribution costs in all segments, due to higher oil prices and greater inflation, but remained stable as a percentage of revenue, due to efficiency and expense control initiatives. EBITDA decreased by 19.6% in 2022 to Ch\$357,929 million, explained by the Chile segment with

¹¹ Chile: includes commercialization of beer, soft drinks and spirits in Chile and strategic service units in the Chilean market. International Business: includes the sale of beer, cider, non-alcoholic drinks and spirits in Argentina, Uruguay, Paraguay and Bolivia. Wine: includes the sale of Chilean wine, primarily to export markets. Other: includes corporate income and expenditures, and elimination of transactions between segments.

a decrease of 32.2%, partially offset by an increase of 12.1% at the International Business segment and 12.4% in the Wine segment. As a result, the EBITDA margin decreased from 17.9% in 2021 to 13.2% in 2022.

The non-operating loss was Ch\$83,013 million, comparing unfavorably to the loss of Ch\$28,791 million in 2021, mainly as a result of an increase in net financial costs, reflecting higher debt, higher losses from joint ventures and associates, and a higher loss on exchange rate differences.

The income tax expense was Ch\$264 million for 2022, which compares positively with the expense of Ch\$82,630 million reported in 2021, mainly as a result of lower net income before taxes.

Quiñenco and others

Quiñenco and others reported a net loss of Ch\$224,825 million in 2022, greater than the net loss of Ch\$128,865 million in 2021. This change is primarily due to greater losses at Quiñenco corporate level, mainly due to the impact of higher inflation on indexed liabilities, and to a lesser extent, higher other losses and income tax expenses, partially offset by higher financial income as a result of higher interest rates.

III. Analysis of the Statement of Financial Position

Assets

The consolidated assets of Quiñenco as of December 31, 2022, amounted to Ch\$69,572,550 million, an increase of 12.5% over total assets of Ch\$61,816,356 million as of December 31, 2021, due to increases in both banking and non-banking sector assets.

The composition of consolidated assets at the end of each year is as follows:

	Figures in MCh\$	
	12-31-2022	12-31-2021
Manufacturing		
Invexans Corporate	506,278	464,231
Techpack	195,580	175,545
Subtotal manufacturing	701,858	639,776
Financial		
LQIF holding	845,746	845,875
Energy		
Enex	1,779,023	1,449,677
Transport		
CSAV	8,812,427	5,089,433
Port Services		
SM SAAM	1,617,630	1,553,572
Other		
Quiñenco and others	710,603	611,930
Total non-banking sector assets	14,467,287	10,190,263
Banking services assets	55,105,263	51,626,094
Total consolidated assets	69,572,550	61,816,356

	Figures in MCh\$	
	12-31-2022	12-31-2021
Non-banking sector current assets	2,491,560	1,238,877
Non-banking sector non-current assets	11,975,727	8,951,386
Total non-banking sector assets	14,467,287	10,190,263
Banking services assets	55,105,263	51,626,094
Total consolidated assets	69,572,550	61,816,356

Non-banking sector current assets

Non-banking sector current assets were Ch\$2,491,560 million as of December 31, 2022, increasing 101.1% compared to December 31, 2021. This increase was mainly explained by a higher held-for-sale assets, as a result of the agreement to sell SM SAAM's port terminals and inland logistics businesses to Hapag-Lloyd, higher current tax assets mostly at CSAV, due to a provisional retention in Germany on the dividend paid by Hapag-Lloyd, and to a lesser extent, an increase in current inventory, mostly at Enex, and an increase in cash and cash equivalents. The latter was mainly due to the dividend received by CSAV from Hapag-Lloyd, the dividend received by LQIF from Banco de Chile, and net loans received mainly at Enex and CSAV, partially offset by dividends paid by Quiñenco, and by CSAV, LQIF and SM SAAM to third parties, and property, plant and equipment purchases mostly by Enex and SM SAAM.

Non-banking sector non-current assets

Non-banking sector non-current assets reached Ch\$11,975,727 million as of December 31, 2022, increasing 33.8% compared to December 31, 2021. This increase is mainly due to the significant increase in equity method investments, primarily attributable to the higher book value of Hapag-Lloyd (reflecting net income for the year net of dividends and translation adjustments), and to a lesser extent, the higher book value of Nexans (reflecting net income for the year net of dividends and translation adjustments). Finally, IRSA's book value remained in line with the previous year, decreasing by 0.5% in 2022.

Banking services assets

Banking services assets as of December 31, 2022, were Ch\$55,105,263 million, representing an increase of 6.7% over December 31, 2021.

Liabilities

The consolidated liabilities of Quiñenco at the end of each year were as follows:

	Figures in MCh\$	
	12-31-2022	12-31-2021
Manufacturing		
Invexans Corporate	50,996	24,084
Techpack	93	148
Subtotal manufacturing	51,089	24,231
Financial		
LQIF holding	291,471	270,515
Energy		
Enex	1,024,247	792,155
Transport		
CSAV	2,038,726	965,091
Port Services		
SM SAAM	867,584	830,340
Other		
Quiñenco and others	1,177,467	953,550
Total non-banking sector liabilities	5,450,583	3,835,883
Banking services liabilities	50,120,552	47,259,610
Total consolidated current liabilities	55,571,136	51,095,493

	Figures in MCh\$	
	12-31-2022	12-31-2021
Non-banking sector current liabilities	2,952,929	1,306,934
Non-banking sector non-current liabilities	2,497,655	2,528,950
Total non-banking sector liabilities	5,450,583	3,835,883
Banking services liabilities	50,120,552	47,259,610
Total consolidated liabilities	55,571,136	51,095,493
Total equity	14,001,414	10,720,864
Total equity and liabilities	69,572,550	61,816,356

Non-banking sector current liabilities

As of December 31, 2022, non-banking sector current liabilities were Ch\$2,952,929 million, an increase of 125.9% over December 31, 2021. This increase is mainly attributable to an increase in other non-financial liabilities, mainly dividends payable to Quiñenco's shareholders and to CSAV's minority shareholders. To a lesser extent, the increase is due to higher liabilities for asset groups held for sale, mainly attributable to SM SAAM due to the agreement with Hapag-Lloyd, higher other current financial liabilities mainly attributable to Enex due to additional debt required to finance its investments during the period, new loans for CSAV and transfers of the current portion of non-current liabilities, partially offset by a net decrease at SM SAAM.

Non-banking sector non-current liabilities

Non-banking sector non-current liabilities were Ch\$2,497,655 million, decreasing 1.2% over December 31, 2021. This decrease is due to lower non-current deferred tax liabilities, mainly at SM SAAM, and lower financial obligations mainly at SM SAAM, and, to a lesser extent, CSAV, which were partially offset by a higher balance of liabilities at Quiñenco due to impact of inflation on its UF-denominated liabilities, partially offset by higher lease liabilities, mainly at Enex.

Non-banking sector total liabilities amounted to Ch\$5,450,583 million as of December 31, 2022, an increase of 42.1% over December 31, 2021, primarily due to the increase in current liabilities.

Banking services liabilities

Banking services liabilities increased by 6.1% compared to December 31, 2021.

Equity¹²

Quiñenco's equity was Ch\$7,329,508 million as of December 31, 2022, 36.4% higher than as of December 31, 2021. This increase is mainly due to net income for the year net of dividends, partially offset by a negative change in other reserves, primarily due to unfavorable translation adjustments, mostly attributable to CSAV and, to a lesser extent, Invexans.

¹² Equity corresponds to Equity attributable to owners of the controller.

IV. Trends in Indicators

Financial Indicators		12-31-2022	12-31-2021
LIQUIDITY*			
Current Liquidity	times	0.8	0.9
(Current assets/Current liabilities)			
Acid ratio	times	0.2	0.5
(Cash & cash equivalents/Current liabilities**)			
DEBT*			
Leverage ratio	times	0.74	0.71
(Total liabilities/Equity attributable to owners of the controller)			
Current debt/Total debt	%	54.2%	34.1%
(Current liabilities/Total liabilities)			
Non-current debt/Total debt	%	45.8%	65.9%
(Non-current liabilities/Total liabilities)			
Interest coverage	times	43.49	32.99
((Non-banking net income + Income tax expense + Finance costs)/Finance costs)			
ACTIVITY*			
Inventory turnover	times	23.77	22.24
(Cost of sales/Average inventories)			
PROFITABILITY			
Return on equity	%	55.7%	42.5%
(Net income attributable to the controller/Average equity attributable to owners of the controller)			
Return on assets of non-financial segments	%	27.8%	22.3%
(Net income of controller - non-financial segments/Average assets - non-financial segments)			
Return on assets of financial segment	%	0.6%	0.4%
(Net income attributable to the controller - financial segment/Average assets - financial segment)			
Earnings per share	\$	2,126.18	1,138.56
(Net income attributable to the controller/Weighted average number of shares)			
Dividend yield	%	16.2%	14.8%
(Dividend payments last 12 months per share/Closing share price)			

* Excludes banking services assets and liabilities

** Excludes liabilities included in disposal groups held for sale.

Liquidity

The non-banking sector current liquidity ratio decreased from 0.9 as of December 31, 2021, to 0.8 as of December 31, 2022. The 101.1% increase in current assets was offset by a 125.9% increase in current liabilities, as explained above.

Leverage

The non-banking sector leverage ratio increased from 0.71 as of December 31, 2021, to 0.74 as of December 31, 2022. This is mainly due to an increase of 42.1% in total liabilities, partially offset by an increase in the parent company's equity of 36.4%. Current liabilities for the non-banking sector represented 54.2% of total liabilities for the non-banking sector as of December 31, 2022, compared to 34.1% as of December 31, 2021.

The financial expense coverage ratio for the non-banking sector increased from 32.99 as of December 31, 2021, to 43.49 as of December 31, 2022. This increase was mainly due to the substantial increase in non-banking net income (87.6%), partially offset by an increase in finance costs (36.2%).

Activity

Inventory turnover increased from 22.24 as of December 31, 2021, to 23.77 as of December 31, 2022. This increase was due to the higher cost of sales (55.6%), partially offset by the increase in average inventory (45.5%).

Profitability

Return on equity increased from 42.5% as of December 31, 2021, to 55.7% as of December 31, 2022. This increase is mainly due to the substantial increase in net income attributable to the parent company for the year (86.7%), partially offset by the increase in average equity (42.5%).

Return on assets for the non-financial segment increased from 22.3% as of December 31, 2021, to 27.8% as of December 31, 2022. The increase in net income attributable to the parent company from the non-financial segments in the current year (87.8%) was partially offset by an increase in average assets in the non-banking segment (50.2%).

Earnings per share increased from Ch\$1,138.56 as of December 31, 2021, to Ch\$2,126.18 as of December 31, 2022. This increase is mainly due to the substantial increase in net income attributable to the parent company in 2022, as explained above.

The dividend yield increased from 14.8% as of December 31, 2021 to 16.2% as of December 31, 2022, due to the substantial increase in dividends paid over the last twelve months (90.0%), partially offset by an increase in the market share price (73.9%).

V. Summarized Statement of Cash Flows

Non-banking cash flows	Figures in MCh\$	
	12-31-2022	12-31-2021
Cash flow provided by (used in) operating activities	61,179	159,636
Cash flow provided by (used in) financing activities	(1,358,530)	(531,652)
Cash flow provided by (used in) investing activities	1,041,649	198,920
Total net cash flow for the year	(255,703)	(173,096)

Quiñenco reported total negative net cash flow of Ch\$255,703 million for the non-banking sector in 2022, explained by a negative cash flow used by financing activities of Ch\$1,358,530 million, partially offset by a positive cash flow provided by investing activities of Ch\$1,041,649 million and a positive cash flow provided by operating activities of Ch\$61,179 million.

The negative cash flow used by financing activities is mainly due to dividend payments of Ch\$1,303,472 million, mainly by Quiñenco and, to a lesser extent, by CSAV, LQIF and SM SAAM to third parties, and interest payments of Ch\$87,506 million, mainly by Quiñenco and to a lesser extent, by Enex, CSAV, SM SAAM and LQIF, were partially offset by net borrowings of Ch\$68,597 million, mostly attributable to Enex and, to a lesser extent, CSAV, partially offset by loan repayments at Quiñenco holding and SM SAAM.

The positive cash flow from investing activities is primarily explained by dividends received of Ch\$1,292,887 million, mainly from Hapag-Lloyd and, to a lesser extent, from IRSA (CCU's parent company) and Nexans, partially offset by the net purchase of property, plant and equipment of Ch\$173,503 million, mostly by Enex and SM SAAM and to a lesser extent, other cash payments, which mainly include changes in cash flows from discontinued operations at SM SAAM and the acquisition of time deposits and other deposits over 90 days by Quiñenco holding.

The positive cash flow from operating activities is primarily due to customer collections of Ch\$5,479,492 million, mainly by Enex and to a lesser extent, SM SAAM, other net operating collections of Ch\$24,518 million, mostly by Enex and SM SAAM, partially offset by payments to suppliers of Ch\$5,165,909 million mainly by Enex, and secondly by SM SAAM, payments to employees of Ch\$233,336 million, mainly by SM SAAM, Enex and to a lesser extent Quiñenco, and income tax payments of Ch\$41,667 million, mainly by SM SAAM and Enex.

Banking services cash flows	Figures in MCh\$	
	12-31-2022	30-09-2021
Cash flow provided by (used in) operating activities	530,188	4,212,912
Cash flow provided by (used in) financing activities	(538,516)	(193,708)
Cash flow provided by (used in) investing activities	(894,002)	(2,998,115)
Total net cash flows for the year	(902,330)	1,021,089

As of December 31, 2022 Quiñenco reported a total negative net cash flow of Ch\$902,330 million for its banking services, primarily due to the negative flow used by investing activities of Ch\$894,002 million, and the negative flow used by financing activities of Ch\$538,516 million, partially offset by the positive flow from operating activities of Ch\$530,188 million.

VI. Summarized Income Statement

	Figures in MCh\$		
	12-31-2022	12-31-2021	Change
Non-banking sector results			
Revenue	4,891,035	3,219,447	51.9%
Manufacturing	88	78	11.9%
Financial	-	-	-
Energy	4,486,363	2,908,184	54.3%
Transport	-	-	-
Port Services	404,207	310,915	30.0%
Other	377	269	40.0%
Cost of sales	(4,276,776)	(2,749,286)	55.6%
Manufacturing	-	-	-
Financial	-	-	-
Energy	(3,991,763)	(2,547,619)	56.7%
Transport	-	-	-
Port Services	(284,773)	(201,446)	41.4%
Other	(240)	(222)	8.1%
Operating income	89,164	95,110	-6.3%
Manufacturing	42	1,366	-96.9%
Financial	(3,487)	(1,431)	143.7%
Energy	128,192	95,140	34.7%
Transport	(33,021)	(18,043)	83.0%
Port Services	65,571	61,484	6.6%
Other	(68,133)	(43,405)	57.0%
Non-operating income (loss)	4,531,131	2,433,734	86.2%
Finance income	33,928	6,098	456.4%
Finance cost	(109,198)	(80,179)	36.2%
Share of income (loss) of associates & joint ventures	4,775,369	2,598,922	83.7%
Exchange rate differences	(8,240)	(14,642)	-43.7%
Result of indexation adjustments	(160,727)	(76,465)	110.2%
Income tax credit (expense)	163,241	(4,782)	n.a.
Income from discontinued operations	19,661	36,356	-45.9%
Consolidated net income from non-banking sector	4,803,197	2,560,419	87.6%
Banking sector results			
Revenue	3,117,432	2,199,217	41.8%
Operating expenses	(995,483)	(871,487)	14.2%
Expected credit losses	(435,117)	(357,066)	21.9%
Net income before tax	1,686,832	970,664	73.8%
Income tax expense	(275,757)	(178,280)	54.7%
Consolidated net income from banking services	1,411,075	792,384	78.1%
Consolidated net income	6,214,272	3,352,803	85.3%
Net income attributable to non-controlling interests	2,678,950	1,459,658	83.5%
Net income attributable to owners of the controller	3,535,322	1,893,146	86.7%

VII. Risk Analysis

Quiñenco and its subsidiaries and associates face risks inherent to their markets and economies in Chile and abroad. These risks reflect the prices, costs and sales volumes of the products and services manufactured and commercialized. Quiñenco's subsidiaries and associates are also exposed to price risk on products and raw materials held in inventory.

Economic Environment

The Company is domiciled and conducts a significant portion of its business in Chile. Therefore, its operating results and financial position are largely dependent on the general state of the Chilean economy. The Chilean economy grew by an estimated 2.6% in 2022, after growing by 12.0% in 2021 and contracting by 5.8% in 2020. There is no certainty about future economic growth. The factors that might have an adverse effect on the Company's business and its performance include slowdowns in the Chilean economy, persistently high inflation, fluctuations in currencies, tax reforms, constitutional reform, changes in the regulatory frameworks governing its subsidiaries' and associates' industries, increases in labor costs and a shortage of skilled labor. The Company's businesses are diversified across six economic sectors.

Apart from its businesses in Chile, some of the Company's industrial businesses directly and indirectly operate and export to other countries and regions, which have suffered from volatile or unstable, frequently unfavorable, economic, political and social conditions on various occasions in the past. The business, results and assets of the Company may be severely and adversely affected by events relating to inflation, interest rates, currency fluctuations, government policies, changes in sectoral and environmental regulatory frameworks, price and wage controls, exchange control regulations, taxes, expropriation, social instability and other political, economic or diplomatic events that affect the countries where the Company operates. The gradual internationalization of some of the Company's businesses diversifies the risk associated with a specific sector or country.

A pandemic or epidemic, such as the global COVID-19 pandemic, implies the risk that the Company, its employees, suppliers, partners, subsidiaries and associates may be prevented from carrying out their business for an indefinite period. This may result in facilities being closed at the request of government authorities and potential difficulties arising in supply chains, greater uncertainty and negative effects on economies and markets. This global pandemic caused governmental authorities to introduce health and financial measures to control its spread and mitigate its effects on health and economies. Quiñenco and its subsidiaries have taken measures to safeguard their employees and operational continuity. Furthermore, the war in Ukraine following the Russian invasion has increased uncertainty, affected energy and *commodity* prices, and caused other potentially large-scale economic impacts that could affect the Company's businesses.

Competition

Quiñenco believes that its businesses face a high level of competition. This is reflected in the prices, costs and sales volumes of the products and services produced and sold by Quiñenco's businesses. While the Company expects that its businesses will be capable of continuing to compete successfully in their respective areas based on its past experience and records, there is no certainty that competition will not continue to grow in the future, including a possible continued consolidation trend in some industries. The imbalance between supply and demand in the maritime shipping industry could affect shipping operators to a greater or lesser extent, depending on the type of fleet they operate and the proportion of their fleet that is owned rather than chartered in comparison to the industry. An imbalance between supply and demand could trigger volatility in freight tariffs, vessel charter rates and financial performance, as happened in container shipping. There have been periods in the past when the installed capacity exceeded global demand, and other periods when capacity was insufficient in the face of growing demand, such as in 2021 and much of 2022. Greater competition and an imbalance between supply and demand could affect the profit margins and operating results of Quiñenco's businesses which, as a result, may significantly and adversely affect the dividend flows that Quiñenco receives from its businesses. However, the Company's businesses are diversified across various sectors and countries.

The Company's businesses also face technological and business model risks that could affect the competitive positioning of its companies in their respective industries, and could impact their results and market value.

Raw Materials Risk

Quiñenco's subsidiaries and associates are exposed to raw material price and availability risks, which could affect their production processes and operating margins.

Fuels sold by the indirect subsidiary Enex in Chile are primarily bought from Enap under annual supply contracts that regulate the formulas that index the prices of each product to relevant international market benchmarks, which in this case is the United States Gulf Coast. These contracts also reward compliance with monthly and annual purchase programs and apply fines when actual purchases are outside an agreed range. Enex usually maintains an average stock of between one and two week's sales in Chile, which limits exposure to price changes. However, fluctuations in demand may increase this exposure, as experienced during the second quarter of 2020 as a result of the COVID-19 pandemic. Regarding fuels sold in the USA, Road Ranger has a wide range of suppliers, allowing it to change suppliers with relative ease and maintain an average inventory of less than one week's sales.

The Shell and Pennzoil brand lubricants sold by Enex are supplied by Shell which sets its prices based on trends in raw materials, production costs and local market conditions. Price changes are notified in advance, which are generally passed on in commercial contracts.

Regarding the subsidiary CSAV, fuel is an important cost component in the shipping industry. A significant proportion of maritime freight sales are agreed in contracts and a percentage of those rates are normally subject to price adjustments, based on changes in the cost of fuel. To this end, Hapag-Lloyd implemented a Marine Fuel Recovery (MFR) mechanism to recover the incremental costs of using more refined fuel, which is calculated per TEU.

The associate Nexans reports its raw material risks in its annual report, highlighting its exposure mainly to copper and aluminum prices, and the risk mitigation measures implemented. CCU also describes the risks associated with raw materials and supplies in its annual reports, as fluctuations in their cost and/or shortages in their availability could negatively impact its profitability, supply chain and/or results. It also reports its associated risk mitigation measures.

Information Security and Cyber-security Risks

Quiñenco and its operating companies face risks associated with information security and cyber-security, which could negatively impact the operational continuity of its businesses or part of them, result in the unauthorized disclosure of confidential information, and/or cause financial losses. Quiñenco and its subsidiaries have cyber-security plans and processes that monitor and mitigate these risks.

Concession Renewal

The non-renewal of port concessions held by SM SAAM is a long-term risk, and is subject to future market conditions and negotiations with port authorities, which could affect the Company's revenue. Concession renewals also depend on having achieved and maintained specific operational standards, which SM SAAM has fulfilled at all ports. However, the port concessions operated by SAAM Ports form part of a binding agreement to sell them to Hapag-Lloyd, and closure of this transaction is subject to the corresponding regulatory approvals and the other usual terms and conditions for these transactions. SM SAAM also has various towage concessions in some of the markets where it operates.

Banking Sector Risks

Overall risk management at the subsidiary Banco de Chile is approached from an integrated perspective, based on the business segments served by the Bank and its subsidiaries. This overall perspective is fundamental for its strategy and sustainability. Risk management policies are established with the objective of analyzing the risks faced by the Bank, setting its risk appetite, setting adequate limits and controls, and monitoring these risks and compliance with limits. Risk management policies, standards, procedures and systems are regularly reviewed. Credit, market and operational risk is managed by the Retail Credit Risk and Global Risk Control Division, the Wholesale Credit Risk Division and the Cybersecurity Division. Origination management in the Retail segment mainly uses scoring tools and an appropriate credit attribution model. Origination management in the Wholesale segment is based on an individual evaluation of the customer and its group. The Bank analyzes and manages price risk and monitors and manages liquidity risk. The Market Risk Department is responsible for identifying, limiting, controlling and reporting market risks within the Bank and providing guidelines for its subsidiaries to carry out these tasks. One of the main objectives of the Cyber-security Division is to protect the internal information of its customers and employees.

Financial risks

Credit risk

Surplus corporate cash is invested with first-class Chilean and foreign financial entities under limits established for each entity, and which have a credit rating of at least the levels pre-established for each type of instrument.

The subsidiary Techpack manages the risk associated with financial assets in accordance with its investment policy. The company's cash surpluses are invested in accordance with its investment policy in low-risk fixed income instruments with institutions with strong credit ratings and diversified investment portfolios, subject to diversification limits by institution. Issuers and institutions that are creditworthy and the investment limits for each one, are regularly reviewed to assess potential changes in their solvency that could affect the company.

The subsidiary Invexans manages the risk associated with financial assets or liabilities at the corporate level in accordance with its policies. Cash surpluses are invested in accordance with the investment policy, in low-risk instruments (primarily time deposits) with institutions having strong credit ratings and within the limits established for each institution. Management selects institutions with strong credit ratings for its financial hedges.

In Invexans' energy segment, Enex manages customer credit risk at the energy subsidiary Invexans, in accordance with its credit policy and its authorizations manual. Sales with credit are controlled by the management system by blocking purchase orders. The Finance and Administration Department at Enex approves customer credit lines, with the support and recommendation of commercial areas, in accordance with a credit evaluation model that takes into account both commercial and technical aspects. When considered appropriate, guarantees and other requirements are requested in support of the credit. Should the credit granted be insufficient to meet commercial needs, the case is taken to the credit committee.

Enex's financial investments are limited to fixed-income instruments, such as resale agreements and time deposits, with financial entities that are evaluated at least once a year, with exposure limits assigned by entity according to reports and opinions issued by prestigious and experienced credit rating agencies, in line with Enex's current treasury policy.

The subsidiary LQ Inversiones Financieras has no receivables subject to credit risk. Cash surpluses are invested under market conditions in fixed-income instruments, according to the maturities of its financial commitments and operating expenses.

The subsidiary CSAV has no direct customers. The subsidiary CSAV has an investment policy to manage its financial assets, which include time deposits, resale agreements and hedge contracts, whereby its checking accounts and investments are held in financial institutions with investment grade credit ratings. It may also contract financial hedges to cover its interest rate and exchange rate risks within its risk control policy. As of December 31, 2022, CSAV has foreign exchange and interest rate hedge contracts.

Credit granted to customers at the subsidiary SM SAAM is initially evaluated by a Committee and regularly reviewed, in order to apply the corresponding policies and to monitor the status of receivables pending collection.

Cash surpluses at the subsidiary SM SAAM can be invested in low-risk financial instruments.

See Note 27 Classes of financial assets and liabilities, for details of the balances of financial assets.

Liquidity risk

Quiñenco finances its activities and investments with dividend and profit distributions from the companies in which it holds an interest and with funds obtained from the sale of assets and by issuing debt and shares.

Quiñenco prefers long-term financing in order to maintain a financial structure in line with the liquidity of its assets and whose maturities are compatible with cash flow generation.

The subsidiary Invexans regularly estimates its liquidity requirements at the corporate level for each period by evaluating its forecast revenue, commercial and finance costs, and its available cash. Invexan's financing policy seeks funding sources with a balanced structure between short and long term, low risk exposure and aligned with the company's investment income (mainly dividends).

In Invexans' energy segment, Enex regularly updates its short-term cash flow projections based on information received from its commercial department. Enex has credit lines with its main banks, in order to cover potential unexpected cash deficits.

The capital management policy at Techpack aims to ensure the liquidity and availability of resources, and ensure that it has sufficient liquidity.

LQIF distributes dividends based on available cash flow taking into account the company's actual and forecast costs, including financial obligations. The main source of funds to pay interest and capital on the financial obligations of LQIF are the dividends received from its direct and indirect shareholdings in Banco de Chile. Consequently, its ability to meet the scheduled payments of interest and principal depends entirely on the ability of Banco de Chile to generate positive net income from its operations, and the agreements approved annually at shareholders' meetings regarding the distribution of dividends.

CSAV is not directly exposed to the container shipping business, but indirectly as one of the main shareholders of Hapag-Lloyd. This limits liquidity risk to the expected flow of dividends or any additional capital required by this joint venture. CSAV has specific long-term borrowing to finance its investment in Hapag-Lloyd. CSAV has sufficient liquidity to cover its obligations.

The subsidiary SM SAAM estimates its forecast liquidity needs for each year, covering receipts such as customer receivables and dividends, payments such as commercial and financial liabilities, and available cash balances. SM SAAM ensures that financing has a balanced short and long-term structure, a low risk exposure and repayments match the company's cash flows.

See Note 21 on Other current and non-current financial liabilities for details of the balances and maturities of financial debt.

Market risk

Market risk exposure refers to exposure to financial assets and liabilities.¹

Exchange rate risk

As of December 31, 2022, the net corporate exposure to exchange rate risk is an asset equivalent to Ch\$85 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch\$4 million.

Exposure to exchange rate risk at the subsidiary Invexans derives from financial asset and liability positions held in currencies other than its functional currency, which is the US dollar, and the related appreciations/depreciations between both currencies. The Board and management at Invexans regularly review its net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be forecast for Invexans, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2022, the net corporate exposure to exchange rate risk at Invexans is an asset equivalent to Ch\$38,741 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch\$1,937 million. As of December 31, 2022, the net exposure to exchange rate risk in the energy segment is a liability equivalent to Ch\$365,753 million. If there is a 5% change in the exchange rate of currencies other than the functional currency, the estimated effect on comprehensive income before tax would be Ch\$18,288 million.

Exposure to exchange rate risk at Techpack arises from exchange differences on potential mismatches in asset and liability positions denominated in a currency other than the functional currency (US dollar). The Board and management of Techpack and its subsidiaries and associates regularly review their net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be projected for Techpack, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2022, Techpack's net exposure to exchange rate risk is a liability equivalent to Ch\$9 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch\$0.5 million.

The subsidiary LQIF has no exposure to exchange rate risk as it has no foreign currency assets or liabilities as of December 31, 2022 and 2021.

The subsidiary CSAV has assets and liabilities primarily denominated in its functional currency, the US dollar. However, it also has assets and liabilities in other currencies. The company reduces the risk of exchange-rate fluctuations by regularly converting any balance in local currency that exceeds payment needs in that currency to US dollars. As of December 31, 2022, the net exposure to exchange rate risk at CSAV is an asset equivalent to Ch\$8,550 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch\$428 million.

The major currencies to which the subsidiary SM SAAM is exposed, other than the functional currency (US dollar), are the Chilean peso, Mexican peso, Canadian dollar, Colombian peso and Guatemalan quetzal. SM SAAM normally mitigates volatility in its results, caused by net positions of assets and liabilities in foreign currencies, using hedging instruments. As of December 31, 2022, the net exposure to exchange rate risk at SM SAAM is a liability equivalent to Ch\$115,609 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch\$5,780 million.

¹ This exposure is measured on a consolidated basis, where any balances between subsidiaries have already been eliminated in consolidation. In some cases these individual balances may affect consolidated financial performance with a corresponding equal effect on equity.

Exchange differences produced by translating to Chilean pesos balances in the functional currencies of consolidated entities or associates whose functional currency is other than the Chilean peso, are recognized as a credit or charge to equity, until they are settled when they are recognized in net income.

Note 35 contains the detail of assets and liabilities by currency, which includes the financial assets and liabilities described here.

Interest rate risk

As of December 31, 2022, Quiñenco has corporate financial assets at fair value through profit and loss of Ch \$273,071 million, which are subject to interest rate risk. A change of 10 basis points in the interest rate would generate an effect on finance income for the year of Ch\$36 million.

Quiñenco has all its corporate financial obligations at fixed interest rates, which implies a low exposure to interest-rate risk.

InveXans corporate has 66.8% of its obligations at fixed rates and 33.2% at variable rates.

The energy segment of InveXans has all its financial obligations at variable interest rates.

As of December 31, 2022, TechPack has no financial obligations that expose it to interest rate risks.

LQIF holding has all its financial obligations at fixed interest rates, which implies a low exposure to interest rate risk.

CSAV has 99.0% of its obligations at fixed rates and 1.0% at variable rates.

SM SAAM has 54.3% of its obligations at fixed rates, 20.9% at protected rates and 24.8% at variable rates.

The consolidated interest-rate structure is as follows: As can be seen, the consolidated interest-rate risk is low, as 81.9% of debt is structured with fixed or protected interest rates.

Consolidated Financial Liabilities by type of interest rate	12-31-2022	12-31-2021
Fixed interest rate	78.5%	78.5%
Protected interest rate	3.4%	5.3%
Variable interest rate	18.1%	16.2%
Total	100.0%	100.0%

As of December 31, 2022, the consolidated exposure to variable interest rates was a liability of Ch\$466,431 million. A 100-basis-point change in the interest rate would generate an effect on finance costs for the 12-month period of Ch\$4,664 million.