

# Quarterly Financial Report

## 3Q22





## BancoEstado Key Figures

### Key figures of the quarterly income statement

	3Q21	2Q22	3Q22	3Q22 US\$ million	Change	
	Ch\$ billion				3Q22/3Q21	3Q22/2Q22
Net interest income	216	288	328	341	51,7%	13,7%
Net income from inflation adjustments	80	280	252	262	215,7%	-10,1%
Net fee and commission income	130	102	112	117	-13,6%	9,6%
<b>Net interest, inflation adjustment &amp; fee income</b>	<b>426</b>	<b>671</b>	<b>692</b>	<b>720</b>	<b>62,4%</b>	<b>3,1%</b>
Net financial income	47	32	61	63	28,3%	88,3%
Other operating & non op. income	-19	3	19	19	-199,7%	564,3%
<b>Operating income</b>	<b>454</b>	<b>706</b>	<b>771</b>	<b>803</b>	<b>69,7%</b>	<b>9,2%</b>
Operating expense	-212	-236	-261	-272	23,1%	10,5%
<b>Operating results (before credit losses)</b>	<b>242</b>	<b>469</b>	<b>510</b>	<b>531</b>	<b>110,5%</b>	<b>8,6%</b>
Credit loss expenses	-66	-86	-266	-277	304,0%	210,3%
<b>Net income before taxes</b>	<b>176</b>	<b>384</b>	<b>244</b>	<b>254</b>	<b>38,2%</b>	<b>-36,5%</b>
Income tax	-82	-168	-58	-60	-29,1%	-65,6%
<b>Net income after taxes</b>	<b>95</b>	<b>215</b>	<b>186</b>	<b>193</b>	<b>96,3%</b>	<b>-13,7%</b>
Net income attributable to owners	91	211	181	189	98,7%	-14,2%
Net income attributable to equity holders	3	4	5	5	32,4%	8,1%

### Key figures of the balance sheet

	3Q21	2Q22	3Q22	3Q22 US\$ million	Change	
	Ch\$ billion				3Q22/3Q21	3Q22/2Q22
Total assets	56.208	55.064	54.816	57.086	-2,5%	-0,5%
Loans	27.790	29.538	30.638	31.907	10,2%	3,7%
Liquid assets	23.833	19.129	17.447	18.169	-26,8%	-8,8%
Total liabilities	53.979	52.647	52.306	54.472	-3,1%	-0,6%
Customer funds	37.734	36.598	36.400	37.907	-3,5%	-0,5%
Issued debt instruments	8.788	8.723	7.491	7.801	-14,8%	-14,1%
Equity	2.228	2.417	2.510	2.614	12,6%	3,8%

### Key ratios

	3Q21	2Q22	3Q22	Change (pp)	
	%			3Q22/3Q21	3Q22/2Q22
ROE before tax	31,6%	63,5%	38,8%	7,20	-24,70
ROE after tax	17,0%	35,6%	29,6%	12,60	-6,00
Efficiency ratio	54,6%	31,7%	34,4%	-20,20	2,70
Net interest margin	2,8%	5,4%	5,3%	2,50	-0,10
Risk index	3,2%	3,1%	3,2%	0,00	0,10
Coverage PDL	327,6%	392,7%	366,8%	39,20	-25,90
PDL/Loans	1,0%	0,8%	0,9%	-0,10	0,10
Tier 1 capital ratio	8,3%	8,7%	8,8%	0,49	0,13
BIS ratio	12,6%	13,1%	13,8%	1,24	0,74
Basel III	12,5%	12,5%	13,1%	0,60	0,60

### Operational and coverage figures

	3Q21	2Q22	3Q22	Change	
	#			3Q22/3Q21	3Q22/2Q22
Employees	15.467	15.167	15.467	0,0%	2,0%
Branches	401	401	399	-0,5%	-0,5%
ATM's	2.332	2.332	2.344	0,5%	0,5%

### Rating Agencies

	3Q21	2Q22	3Q22
S&P	A	A-1	Stable
Moody's	A2	P-1	Stable



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## Milestones

The world growth outlook has been reduced in the face of increasing risk of a global recession in 2023.

Inflation has risen further in advanced economies. The United States reached its highest inflation rate in four decades, while the labor market continues to tighten. In the Eurozone, prices are still rising across the board, with sharp increases in foods, core items, and electricity, the latter linked to high gas prices. In the United Kingdom, prices of services and core goods have continued to drive inflation to record highs, against a backdrop of intensifying wage pressures. In Latin America, foods and energy continued to drive inflation, which has spilled over to goods and services.

China increased its zero covid policy, with new restrictions in a context where several economic sectors face significant challenges.

Commodity prices have fallen generally, influenced mainly by lower expected demand and a strengthened dollar.

Most Central Banks have continued and/or accelerated their interest rate hikes, with the Fed's actions standing out. This has further tightened financial conditions, especially for emerging economies.

In the local market, during the third quarter 2022, the Gross Domestic Product (GDP) presented a variation of 0.3% compared to the same period of the previous year. In contrast, domestic demand fell 1.5% due to a lower consumption of households.

The private consumption showed an adjustment in the third quarter (-2,8%) related to the depletion of accumulated liquidity and the weakness of its fundamentals, such as the lower dynamism of the labor market. The unemployment rate was 8.0% as of September 2022.

The investment has declined its dynamism through the year, reaching a 2,2% advance in the third quarter of 2022, in a scenario of uncertainty and less favorable financial conditions.

Monetary Policy Rate (MPR) is at its maximum level of the cycle that began in July 2021, and that it will remain there for as long as necessary to ensure the convergence of inflation to the target over the two-year policy horizon.



Inflation has reached very high levels, although in the recent data is already beginning to decline. Energy and food prices remain the main sources of increase.

Meanwhile, the expectations of experts and businesses have increased, which also played a part in the greater persistence of inflation. The macroeconomic scenario presents high risk whose short- and medium-term implications must be evaluated. The Central Bank will monitor closely the unfolding of these events, and reaffirms its commitment to conduct monetary policy with flexibility, in order for projected inflation to stand at 3% annually in the policy horizon.

The current account deficit -accumulated over twelve months- reached 9,9% of GDP in the third quarter, reflecting the large imbalances of 2021, and a deteriorated term of trade.

The 3Q22 bank lending survey indicated a net tightening of credit standards on commercial loans. Banks also reported more restrictions for housing loans and commercial credit. On the other hand, demand has diminished in the different segments, due to the uncertain economic scenario.

According to the Survey of Economic Expectations (SEE) of the Central Bank, the Chilean economy is expected to grow 2.3 % in 2022.



## Summary of Results

In 3Q22, pre-tax net income amounted to Ch\$ 243.7 bn, decreasing 36.5% QoQ, mainly due to higher expenses for credit losses (special provisions for credit risk).

ROE after tax was 29.6% in 3Q22, increasing 12.6 pp compared to 3Q21.

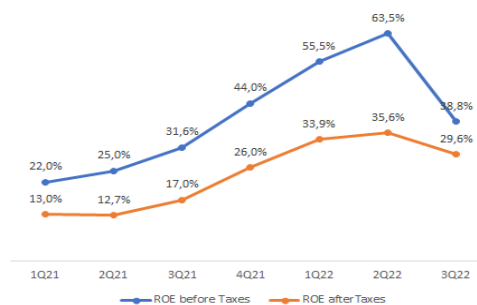
Non-performing loans reached 2.6% as of September. This figure remains below average levels and still reflects temporary effects such as the excess of liquidity of households and the fiscal support made by the government in previous quarters.

BancoEstado's market share reached 13.7% of total loans as of September 2022, maintaining its place in the market.

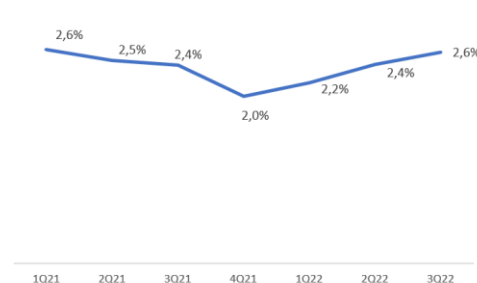
The efficiency ratio -operating expenses over operating income of the period- has remained relatively stable compared to the previous quarter, and shows an increase in the efficiency in last quarters. The improvement observed in September compared to the end of 2021 is mainly explained by the increase of operating income due higher incomes. Additionally, a significant control of operating expenses and digital business was implemented in the last quarters.

BancoEstado is transforming its 'efficiency culture' through the Annual Efficiency Plan, which aims to manage and control costs. On the other hand, it has promoted the strengthening of digital channels, boosting its transactional operations and productivity.

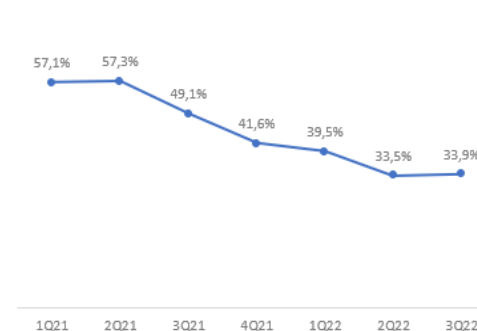
### ROE (%)



### Non-performing Loans (%)



### Efficiency (%)





## Credit Ratings

BancoEstado's international ratings are based on support of its owner, the State of Chile and its market positions and strategic social role.

### **S&P Global** Ratings

Long-Term	A
Outlook	Stable
Short-Term	A-1

## MOODY'S

Long-Term	A2
Outlook	Stable
Short-Term	P-1



## I. Economic Environment

### Economic Environment

Domestic economy has already begun the adjustment process of the accumulated imbalance in 2021. Throughout this phase of the cycle, the economic activity will decrease its dynamism and will move towards negative growth, while the inflation will converge in the following two years to the Central Bank objective of 3%.

During the third quarter 2022, the gross domestic product presented a variation of 0.3% compared to the same period of the previous year. In contrast, domestic demand fell 1.5% in line with a weaker performance of private consumption and investment.

Exports of goods and services increased 4.1% in the third quarter, while imports of goods and services contracted 2.7% compared to the same quarter of the previous year.

Thus, the Chilean economy will grow 2.3% this year, followed by an economic recession in 2023 (-1.4%), according to the market expectations.

### Labor market

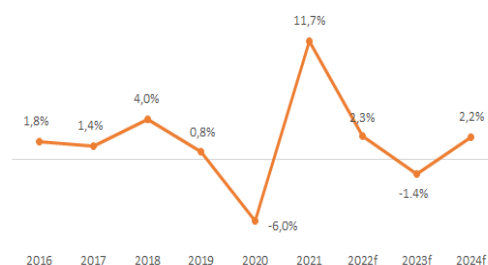
In 3Q22, the unemployment rate was 8%. By categories, there was a slight decline in formal employment, contrasting the increase in informal employment and self-employed jobs. By sectors, the largest job creation concentrated in services-related activities and mining.

### Economic outlook (% annual change)

	2021	2022	2023	2024
GDP	11.7	2.3	-1.4	2.2
National Income	15.9	2.1	-1.5	2.8
Domestic Demand	21.6	1.2	-4.7	2.2
Domestic Demand (w/o inventory change)	18.0	0.9	-4.6	2.6
Gross fixed capital form	17.6	-3.3	-4.7	2.9
Total consumption	18.2	2.2	-4.6	2.4
Private consumption	20.3	1.4	-5.7	2.5
Goods and services exports	-1.5	1.3	5.5	3.0
Goods and services imports	31.3	-1.4	-5.5	1.2
Current account (%of GDP)	-6.6	-6.3	-3.6	-3.3

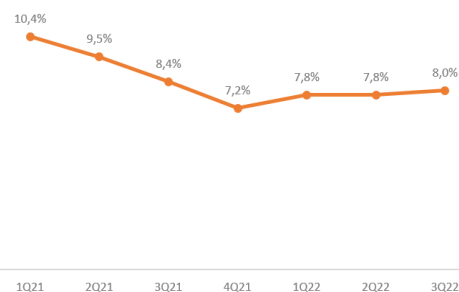
Source: Central Bank

### GDP (annual growth, %)



Source: Central Bank (EEE)

### Unemployment (%)



Source: Central Bank





## Monetary policy

The monetary policy rate has increased significantly in a context of inflationary pressures.

In 3Q22, the Central Bank of Chile raised the monetary policy rate to 10.75%, applying an increase of 100 basis points. The monetary policy rate is at around the maximum level of the cycle that began in July 2021, and it will remain there for as long as necessary to ensure the convergence of inflation to the target over the two-year policy horizon.

The Central Bank will monitor closely, and reaffirms its commitment to conduct monetary policy with flexibility, in order for projected inflation to stand at 3% annually in the policy horizon.

## Inflation

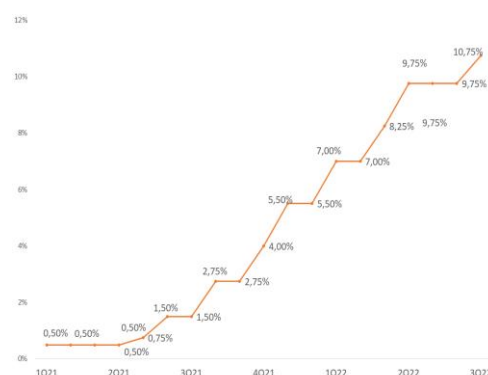
In 3Q22, inflation registered the first decline in the annual CPI since February 2021, reaching 13.7% annually in September 2022. Annual inflation expectations and its outlook remain high, especially for 2023.

The impulse towards the increase in domestic demand last year and the depreciation of the peso have also led to higher prices. Additionally, external cost pressures and persistent difficulties in global production and supply chains have introduced an adverse factor into the economic scenario, with a significant effect on import prices.

## Exchange Rate

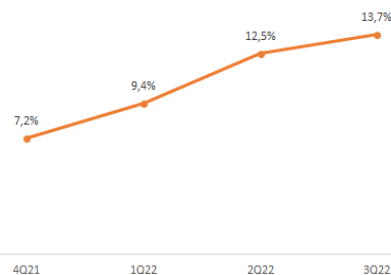
In 3Q22, the peso/ dollar parity depreciated 3.0% QoQ, reflecting the strengthening of the dollar compared to emerging economies, in a context of a slight rebound in the local market and lower copper prices.

### Monetary policy rate (%)



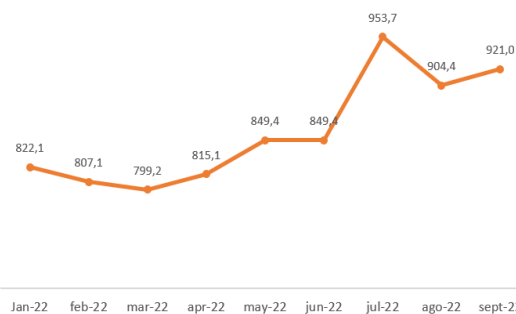
Source: Central Bank

### Inflation Rate (%)



Source: Central Bank

### Exchange Rate (Ch\$ per US\$, monthly average)



Source: Central Bank



## II. Banking Industry

In 3Q22, total loans amounted to Ch\$224 trillion (US\$255 billion).

In 3Q22, total loans in the Chilean banking system amounted to Ch\$224 trillion (US\$255 billion) reaching a growth of 2.8% compared with the previous quarter, an increase lower than the registered the previous quarter of 5.3%. Growth in the third quarter is mainly explained by commercial loans. Consumer loans remains relatively stable compared to the previous quarter. The domestic market for loans is weakening due to more restrictive conditions and the increase in long-term interest rates.

In 3Q22 the mortgage grew by 15.8% YoY, and grew 4.2% compared to the previous quarter.

### Banking Credit Survey

#### Credit Supply

Credit supply conditions remain restrictive and demand is perceived weakened for all segments.

In the third quarter of 2022, the credit granting standards for the loan portfolio and mortgage loans continue to be more restrictive. In case of consumer portfolio, the portion of banks reporting stricter conditions increase from 17% to 27%. Meanwhile, in the case of mortgage loans, the portion of banks reporting more flexible conditions decrease from 9% to 0% and maintaining the fraction reporting more limited standards (10%).

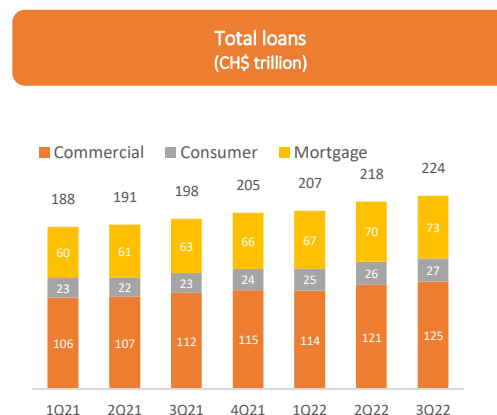
#### Credit Demand

The demand for credit in the household segment remains weak in consumption and mortgages. In the case of consumer loans, the percentage of banks that perceives a more limited demand grows from 50% to 55%, in contrast to the share of banks that reports a strengthening of the demand (18%).

Regarding the housing loan portfolio, the portion that report a decrease in demand increases from 46% to 70%, and the percentage that reports a strengthening is similar to the previous quarter (10%)

The demand for credit from large companies and SMEs is perceived to be attenuated.

The decrease in demand was mainly driven by the overview of a less favorable employment and income context.





## Interest rates

Benchmark interest rates have increased in response to the changing outlook for inflation and monetary policy.

In September interest rate on consumer and commercial loans increased to 27.9% (26.3% in 2Q22) and 14.5% (13.0% in 2Q22), respectively. On the other hand, the rate for mortgage loans remained at 4.3%.

Interest rates in the commercial segment in pesos continued to rise in September, although moderately, capturing the MPR rise applied by the Central Bank at the beginning of September.

## Banking System Results

As of September 2022, the accumulated profits of Banking systems amounted US\$ 5,481 million, grew 44.6% mainly explained by a higher interest margin and inflation adjustment attenuated by an increase in credit loss expenses.

In 3Q22, ROE after tax decreased to 20.3% compared to the previous quarter, and efficiency ratio, calculated as operating expenses over operating income of the period, improve to 37.7%, due mainly by the increase of operating income. On the other hand, the non-performing loans increased to 1.5% of the stock of credit.

### Banking Systems Results

	3Q22	Change (pp)
ROE Before Tax	24.6%	-4,2
Roe After Tax	20.3%	-3,1
Efficiency	37.7%	-0,9
NPL	1.5%	-0,1



### III. BancoEstado Results

#### Quarterly Income Statement

In 3Q22, BancoEstado's net income after taxes decreased to Ch\$ 185.8 bn (-13.7% QoQ) driven by an increase of credit loss expenses.

In 3Q22, ROE after taxes reached 29.6% (vs. 35.6% in 2Q22), while ROE before tax in 3Q22 was 38.8% (vs 63.5% in 2Q22).

#### Net income from interest and inflation adjustment

In 3Q22, net income from interest and inflation adjustment amounted Ch\$579 billion, increasing 95.6% compared to 3Q21, associated with higher interest rates and inflation adjustments.

In 3Q22 net income from inflation adjustments increased 215.6% YoY, reflecting the higher inflation rates observed in the last year.

#### Net fee & commission income

In 3Q22 Net fee income amounted Ch\$ 112 billion, an increase of 9.6% compared to the previous quarter.

#### Net financial income

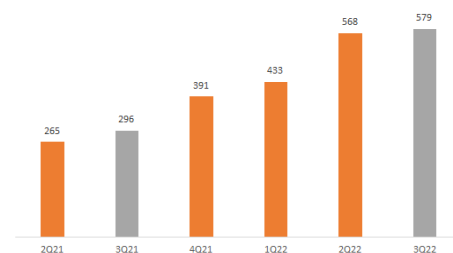
Net financial income increased 28.3% YoY (88.3% QoQ).

#### Operating expenses

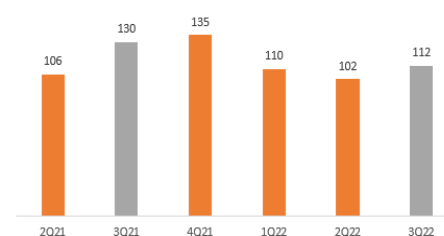
In spite of expenditures indexed to inflation variations, operating expenses increased by 2.3% QoQ (5.2% YoY) and amounted to Ch\$223 bn in 3Q22.

BancoEstado's operating efficiency ratio improved to 33.9%, from 49.1% in 3Q21.

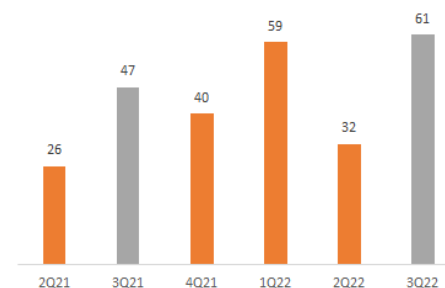
Net income from interest and inflation adjustments  
(Ch\$ billion)



Net fee  
(Ch\$ billion)



Net financial income  
(Ch\$ billion)





### Credit loss expenses

Credit loss expenses totaled Ch\$ 265.9 bn (304.0% YoY and 210.3% QoQ), due to special provisions for credit risk.

In 3Q22, regulatory gross provisions and charge-offs amounted to Ch\$126.9 bn. On the other hand, loan loss recoveries decreased 10.5% YoY and totaled Ch\$19.4 bn.

In this quarter, BancoEstado made special provisions for credit risk of Ch\$142.5 bn, given the expected less dynamism of the economy in 2023. Special allowances for credit risk amounted to Ch\$182.5 bn accumulated as of September 2022.

Overall, the coverage ratio, calculated as allowance for loans on Past Due Loans (PDL) reached 366% and non-performing loans stayed at 2.6% of total loans.

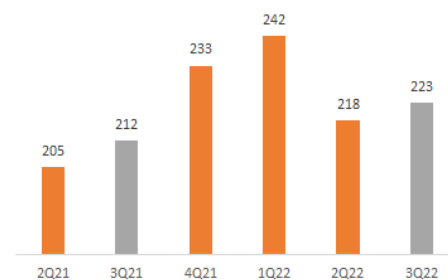
In 3Q22, PDL reached 0.9% of the stock of loans, remaining stable compared to the previous quarter.

### Other income & expenses

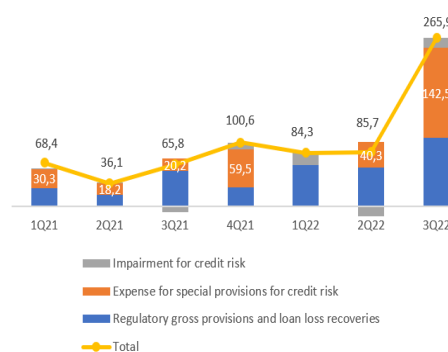
In 3Q22, other operating income amounted to Ch\$ 18,6 bn increasing Ch\$17,3 bn QoQ. Other expenses increased 107% compared to the previous quarter.

In 3Q22 expenses taxes amounted to Ch\$ 57.9 bn and as of September 2022, the expenses taxes amounted Ch\$ 345,5 bn, reflecting a 36.9% of the net income before taxes.

Operating expenses (Ch\$ billion)



Credit loss expenses (Ch\$ billion)





## Statement of Financial Position

BancoEstado’s total loans amounted Ch\$30,6 trillion, increasing 3.7% QoQ and 10.2% YoY, with a market share of 13.7%.

Commercial loans increased 2.8% QoQ (7.2% YoY), driven by corporate loans. On the other hand, the mortgage loan portfolio increased 4.7% QoQ (13.7% YoY), both below the surge in inflation.

### Financial investments

Financial investments registered a decrease from Ch\$15.1 bn in 2Q22 to Ch\$12.3 bn in 3Q22 (-18.0% QoQ).

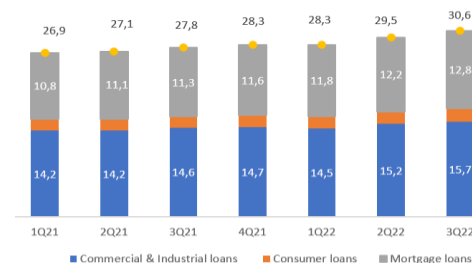
### Liquidity

Liquid assets decreased -8.8% QoQ (-26.8% YoY), primarily due to a reduction in deposits from the Central Bank, partially offset by the increase in financial investments.

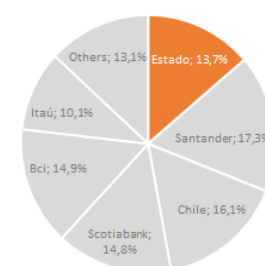
The bank's liquid assets represent 31.8% of total assets in 3Q22 (34.7% in the previous quarter).

The Liquidity Coverage Ratio (LCR) reached to 273.1%, increasing 55,7 pp. compared to the previous quarter. This ratio Indicates that BancoEstado have an adequate high-quality liquid asset that can be easily converted in financial markets. On the other hand, Net Stable Funding Ratio (NSFR) measures the bank’s medium-and long-term resilience. In 3Q22 Net Stable Funding Ratio (NSFR) reached 116.1%, increasing 3.5 pp.

### Total loans (Ch\$ trillion)



### BancoEstado market share (% of total loans)



	Liquidity Coverage Ratio (LCR)		Net Stable Funding (NSFR)	
	Individual Limit	Local Consolidated	Individual Limit	Local Consolidated
30-sept-21	324,9%	309,9%	116,4%	116,0%
30-dic-21	204,0%	189,5%	113,1%	112,8%
31-mar-22	339,6%	332,0%	112,3%	112,2%
30-jun-22	220,3%	217,4%	112,9%	112,6%
30-sept-22	279,4%	273,1%	116,5%	116,1%

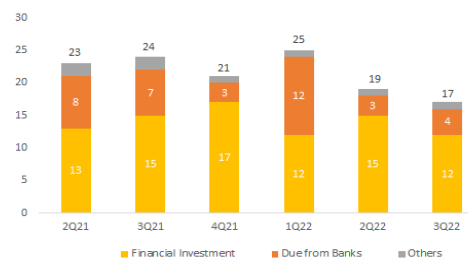


## Funding

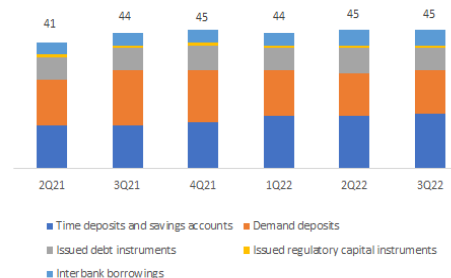
In 3Q22, the funding structure of BancoEstado has remained relatively stable. Total customer funds amounted to Ch\$36.4 bn (-0.5% QoQ and -3.5% YoY), while issued debt and regulatory capital instruments amounted to Ch\$8.7 bn.

The demand deposit stock has commenced to normalize after rising due to the household-support measures implemented in 2020 and 2021, while time deposits and saving accounts have displayed a regular upturn.

Liquidity assets  
(Ch\$ trillion)



Funding liabilities  
(Ch\$ trillion)

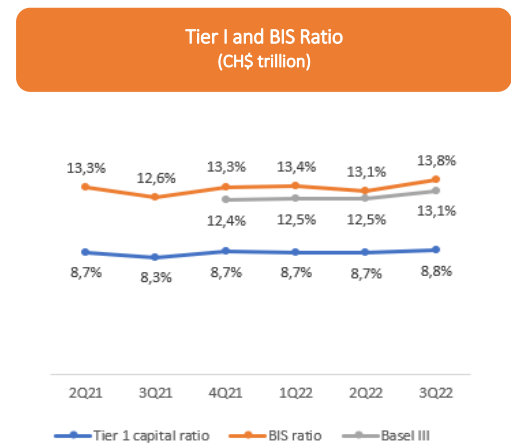




### Regulatory Capital

Since December 2021, the implementation process of Basel III began to operate in Chile. In line with the Basel III requirements, risk-weighted assets amounted to Ch\$28.3 trillion and the Basel III ratio reached to 13.1%.

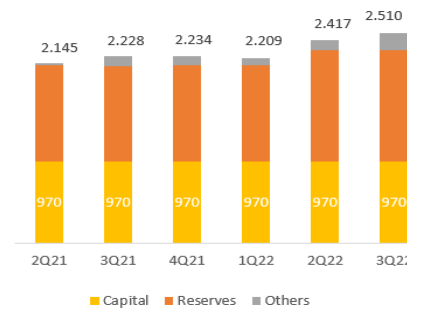
In 2022, BancoEstado expects the additional capitalization of US\$ 500 million, out of US\$1,500 million approved by Law 21.384 to be capitalized in or before December 2025. The purpose is to authorize the capitalization, together with other measures to comply with the new capital requirements to the Basel III agreements.



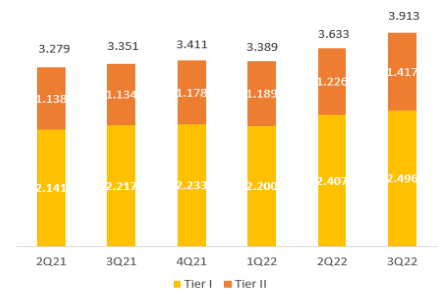




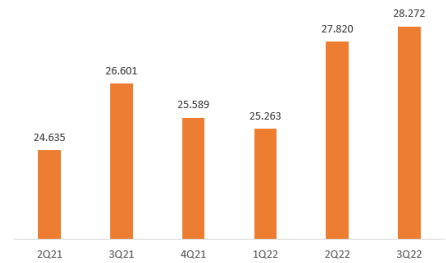
Equity  
(CH\$ trillion)



Regulatory capital  
(CH\$ trillion)



Risk-weighted assets  
(CH\$ trillion)





## Tables

**Table 1. Net interest income & margin**

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Interest income	325,0	661,8	762,0	793,5	134%	15%
Interest expense	-109,0	-373,8	-434,3	-452,3	299%	16%
Net income from inflation adjustments	79,73	280,08	251,7	262,1	216%	-10%
<b>Net interest income</b>	<b>295,72</b>	<b>568,10</b>	<b>579,29</b>	<b>603,28</b>	<b>96%</b>	<b>2%</b>
Average interest-earning assets	41.828,5	41.951,2	43.970,9	45.791,6	5%	5%
Average loans	27.466,5	28.833,5	30.015,4	31.258,3	9%	4%
Interest-earning asset yield	3,1%	6,3%	6,9%	6,9%	380 bp	60 bp
Quarterly inflation rate	1,3%	4,2%	3,5%	3,5%	223 bp	72 bp
Central Bank reference rate (end of period)	1,5%	9,0%	10,8%	10,8%	925 bp	175 bp
Avg.10 year Central Bank yield (real)	2,0%	2,0%	2,2%	2,2%	24 bp	24 bp

**Table 2. Net Fees and commission income**

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Collection fees	36,2	30,3	63,8	66,5	76%	111%
Lines of credit	0,5	0,6	0,6	0,6	7%	1%
Accounts administration & card fees	68,5	50,1	19,7	20,5	-71%	-61%
Insurance brokerage	9,0	9,6	10,7	11,1	18%	11%
Guarantees, pledges and other contingent operations	3,2	3,7	4,3	4,5	38%	19%
Fees from brokerage and custody of securities	-2,2	-1,6	0,1	0,2	-106%	-109%
Other fees	8,2	6,5	9,7	10,1	18%	48%
Prepaid commissions	6,7	3,3	3,4	3,6	-49%	4%
<b>Total Fees</b>	<b>130,03</b>	<b>102,49</b>	<b>112,33</b>	<b>116,98</b>	<b>-21%</b>	<b>10%</b>

**Table 3. Net Financial Income**

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
For trading at fair value	2,8	10,3	5,5	5,7	96%	-47%
Derivative contracts	-127,0	-111,5	-3,7	-3,8	-97%	-97%
At fair value	-6,7	-6,3	6,6	6,9	-198%	-204%
Other	5,0	8,2	6,4	6,7	28%	-21%
<b>Net Income (expense) from financial operations</b>	<b>-125,9</b>	<b>-99,4</b>	<b>14,9</b>	<b>15,5</b>	<b>-112%</b>	<b>-115%</b>
Exchange differences	-107,8	-211,5	81,2	84,5	-175%	-138%
Foreign currency indexing	9,3	18,1	5,6	5,8	-40%	-69%
Net hedging income	271,6	324,9	-41,1	-42,8	-115%	-113%
Net Foreign exchange gain (loss)	173,0	131,5	45,6	47,5	-74%	-65%
<b>Net results from financial transactions</b>	<b>47,14</b>	<b>32,13</b>	<b>60,50</b>	<b>63,01</b>	<b>28%</b>	<b>88%</b>



Table 4. Credit loss Expenses

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Regulatory gross provisions & charge-offs	-76,8	-81,0	-126,9	-132,1	-65%	-57%
Loan loss recoveries	21,6	20,1	19,4	20,2	-10%	-4%
<b>Net Regulatory provision &amp; charge- off</b>	<b>-55,2</b>	<b>-61,0</b>	<b>-107,5</b>	<b>-112,0</b>	<b>-95%</b>	<b>-76%</b>
Expense for special provisions for credit risk	-20,2	-40,3	-142,5	-148,4	-607%	254%
Impairment for credit risk	9,5	15,5	-15,9	-16,5	-267%	-202%
<b>Credit loss expenses</b>	<b>-65,82</b>	<b>-85,69</b>	<b>-265,89</b>	<b>-276,90</b>	<b>-304%</b>	<b>-210%</b>
Total loans 1	27.790	29.538	30.627	31.896	10%	4%
Allowance for loan losses	-887	-920	-984	-1.025	11%	7%
Past due loans (PDL)	271	234	268	280	-1%	15%
Non-performing loans / Loans	2,4%	2,4%	2,6%		0,2 pp	0,2 pp
Net provisions for loan losses / Loans	-0,8%	-0,8%	-1,4%		-0,6 pp	-0,6 pp
Cost of credit	-0,8%	-0,8%	-1,4%		-0,6 pp	-0,6 pp
Credit loss expenses ratio	-0,9%	-1,2%	-3,5%		-2,5 pp	-2,3 pp
Coverage of PDL 3	327,6%	392,7%	366,8%		39,2 pp	-25,9 pp
Risk Index	3,2%	3,1%	3,2%		0,0 pp	0,1 pp

Table 5. Operating expenses

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Personnel salaries and expenses	-118,8	-128,0	-130,8	-136,2	10,1%	2,2%
Administrative expenses	-70,3	-71,2	-72,3	-75,3	2,8%	1,6%
Depreciation and amortization	-23,0	-18,6	-19,8	-20,6	-13,9%	6,5%
Impairment	0,0	0,0	0,0	0,0		
<b>Operating expenses</b>	<b>-212,1</b>	<b>-217,8</b>	<b>-222,9</b>	<b>-232,11</b>	<b>5%</b>	<b>2%</b>
Efficiency Ratio	54,60%	31,70%	34,40%		-20 pp	2,7 pp

Table 6. Other income and expenses

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Other operating income	3,0	1,3	18,6	19,4	515,6%	1351,3%
Other operating expense	-21,6	-18,5	-38,3	-39,8	77,2%	106,5%
<b>Other operating income (expense), net</b>	<b>-18,6</b>	<b>-17,2</b>	<b>-19,6</b>	<b>-20,5</b>	<b>6%</b>	<b>14%</b>
Income attributable to investments in other companies	-0,1	1,4	0,2	0,2	-229%	-88%
Income tax rate <sup>1</sup>	46,3%	43,8%	23,8%		-22,5 pp	-20,1 pp

Table 7. Total Loans

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
<b>Commercial &amp; Industrial loans 2</b>	<b>14,6</b>	<b>15,2</b>	<b>15,7</b>	<b>16,3</b>	<b>7,2%</b>	<b>2,8%</b>
<b>Consumer loans</b>	<b>1,9</b>	<b>2,1</b>	<b>2,2</b>	<b>2,2</b>	<b>12,7%</b>	<b>4,2%</b>
Installments	1,6	1,7	1,7	1,8	7,2%	3,6%
Current account overdraft	0,1	0,1	0,1	0,1	54,9%	10,5%
Credit cards	0,3	0,3	0,4	0,4	38,3%	5,8%
Mortgage loans	11,3	12,2	12,8	13,3	13,7%	4,7%
<b>Total Loans</b>	<b>27,8</b>	<b>29,5</b>	<b>30,6</b>	<b>31,9</b>	<b>10,2%</b>	<b>3,7%</b>



Table 8. Financial Investment

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
For trading at fair value	704	875	752	783	6,9%	-14,0%
At fair value	13.761	10.699	8.150	8.488	-40,8%	-23,8%
At amortized cost	62	3.483	3.437	3.579	5476,6%	-1,3%
<b>Total Financial Investments</b>	<b>14.526</b>	<b>15.056</b>	<b>12.339</b>	<b>12.850</b>	<b>-15%</b>	<b>-18%</b>

Table 9. Liquidity

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Financial Investments	14.526	15.056	12.339	12.850	-15,1%	-18,0%
Unsettled transactions	760	599	670	698	-11,8%	11,9%
Investments under repurchase agreements	254	13	113	117	-55,6%	749,9%
Due from Central Bank	5.103	1.451	2.936	3.057	-42,5%	102,4%
Due from Chilean banks	1	0	1	1	85,4%	308,9%
Due from foreign banks	2.376	1.422	797	830	-66,4%	-43,9%
Cash	813	587	591	615	-27,4%	0,6%
<b>Liquid assets</b>	<b>23.833</b>	<b>19.129</b>	<b>17.447</b>	<b>18.169</b>	<b>-27%</b>	<b>-9%</b>
Total assets	56.208	55.064	54.816	57.086	-2,5%	-0,5%
Liquid assets / Total assets	42%	35%	32%	32%	-11 pp	-3 pp

Table 10. Funding

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Demand deposits	17.987	14.403	13.953	14.531	-22,4%	-3,1%
Time deposits and savings accounts	15.401	17.461	17.737	18.472	15,2%	1,6%
Total customer deposits	33.389	31.864	31.690	33.002	-5,1%	-0,5%
Interbank borrowings	4.345	4.735	4.710	4.905	8,4%	-0,5%
<b>Total customer funds</b>	<b>37.734</b>	<b>36.598</b>	<b>36.400</b>	<b>37.907</b>	<b>-4%</b>	<b>-1%</b>
Issued debt instruments	7.763	7.589	7.491	7.801	-3,5%	-1,3%
Issued regulatory capital instruments	1.025	1.134	1.188	1.238	15,9%	4,8%

Table 11. Owner's Equity

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Capital	970	970	970	1.010,5	0,0%	0,0%
Reserves	1.147	1.329	1.329	1.383,9	15,8%	0,0%
Other result	111	118	212	220,3	90,5%	79,2%
<b>Total equity</b>	<b>2.228</b>	<b>2.417</b>	<b>2.511</b>	<b>2.614,6</b>	<b>13%</b>	<b>4%</b>
Equity attributable to main owners	2.217	2.407	2.497	2.600,0	12,6%	3,7%
ROE bt	31,6%	63,5%	38,8%		7,2 pp	-24,7 pp

Table 12. Capital Adequacy

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
Tier I	2.217	2.407	2.497	2.600	12,6%	3,7%
Tier II	1.134	1.226	1.417	1.475	24,9%	15,6%
Regulatory capital	3.352	3.633	3.913	4.075	16,8%	7,7%
Risk weighted assets	26.601	27.820	28.273	29.443	6,3%	1,6%
Tier I ratio	8,3%	8,7%	8,8%	8,8%	6 bp	2 bp
BIS ratio	12,6%	13,1%	13,8%	13,8%	10 bp	6 bp



## IV. Annex

### Quarterly Income Statements

	3Q21	2Q22	3Q22	3Q22	Change	
		Ch\$ billion		US\$ million	3Q22/3Q21	3Q22/2Q22
Net interest income	216,0	288,0	327,6	341,2	52%	14%
Net income from inflation adjustments	79,7	280,1	251,7	262,1	216%	-10%
Fee income	130,0	102,5	112,3	117,0	-14%	10%
Net interest, inflation adjustment & fee income	425,7	670,6	691,6	720,3	62%	3%
Financial transactions, net	47,1	32,1	60,5	63,0	28%	88%
Income (loss) from investments in companies	-0,1	1,4	0,2	0,2	-229%	-88%
Other operating income	3,0	1,3	18,6	19,4	516%	1351%
<b>Total operating income</b>	<b>475,8</b>	<b>705,6</b>	<b>770,7</b>	<b>802,6</b>	<b>62%</b>	<b>9%</b>
Operating income (Before credit losses)	242,1	469,3	509,6	530,7	110%	9%
Credit loss expense	-65,8	-85,7	-265,9	-276,9	304%	210%
<b>Net income before taxes</b>	<b>176,3</b>	<b>383,6</b>	<b>243,7</b>	<b>253,8</b>	<b>38%</b>	<b>-36%</b>
Income tax	-81,6	-168,2	-57,9	-60,3	-29%	-66%
<b>Net income attributable to owners</b>	<b>94,7</b>	<b>215,4</b>	<b>185,8</b>	<b>193,5</b>	<b>96%</b>	<b>-14%</b>



## Financial Information

### Financial Information

	3Q21	2Q22	3Q22	3Q22	Change	
	Ch\$ billion			US\$ million	3Q22/3Q21	3Q22/2Q22
<b>ASSETS</b>						
Cash and deposits in banks	8.293	3.460	4.324	4.503	-47,9%	25,0%
Unsettled transactions	760	599	670	698	-11,9%	11,9%
Financial assets for trading at fair value through earnings	2.376	3.839	3.943	4.106	65,9%	2,7%
Derivative contracts	1.666	2.957	3.180	3.312	90,9%	7,5%
Debt instruments	704	875	763	795	8,4%	-12,8%
Financial assets at fair value through other comprehensive income	13.761	10.699	8.150	8.487	-40,8%	-23,8%
Debt instruments	13.761	10.699	8.150	8.487	-40,8%	-23,8%
Financial derivative contracts for hedge accounting	575	235	206	215	-64,1%	-12,4%
Financial assets at amortized cost	28.022	33.357	34.418	35.843	22,8%	3,2%
Investments under resale agreements	254	13	112	117	-55,9%	745,3%
Financial debt instruments	62	3.483	3.436	3.578	5475,6%	-1,3%
Interbank loans	803	1.242	1.226	1.277	52,6%	-1,3%
Loans and accounts receivable from customers. Commercial	14.063	14.674	15.052	15.675	7,0%	2,6%
Loans and accounts receivable from customers. Mortgage	11.098	12.092	12.670	13.195	14,2%	4,8%
Loans and accounts receivable from customers. Consumer	1.742	1.853	1.919	1.998	10,1%	3,6%
Investments in other companies	19	22	14	15	-24,6%	-35,2%
Intangible assets	56	49	15	16	-73,4%	-69,4%
Property, plant and equipment	338	317	16	17	-95,3%	-94,9%
Right-of-use assets	91	81	17	18	-81,4%	-78,9%
Current taxes	3	10	18	19	583,1%	79,5%
Deferred taxes	1.306	1.489	18	19	-98,6%	-98,8%
Other assets	607	908	19	20	-96,9%	-97,9%
Non-current assets and groups for sale	1	1	20	21	2902,0%	2139,0%
<b>TOTAL ASSETS</b>	<b>56.208</b>	<b>55.064</b>	<b>54.816</b>	<b>57.086</b>	<b>-2,5%</b>	<b>-0,5%</b>
<b>LIABILITIES</b>						
Unsettled transactions	2.306	357	693	722	-70,0%	93,9%
Financial liabilities for trading at fair value through earnings	1.667	3.014	3.272	3.407	96,3%	8,6%
Financial derivative contracts for hedge accounting	44	207	237	247	437,1%	14,3%
Financial liabilities at amortized cost	46.576	45.894	44.708	46.559	-4,0%	-2,6%
Deposits and other demand liabilities	17.987	14.403	13.952	14.530	-22,4%	-3,1%
Time deposits and other time liabilities	15.401	17.461	17.737	18.471	15,2%	1,6%
Investments under repurchase agreements	984	1.558	693	722	-29,5%	-55,5%
Interbank borrowings	4.345	4.735	4.710	4.905	8,4%	-0,5%
Issued debt instruments	7.763	7.589	7.491	7.801	-3,5%	-1,3%
Other financial liabilities	95	149	124	129	29,9%	-16,6%
Leasing obligations	85	83	83	86	-2,8%	0,2%
Issued regulatory capital instruments	1.025	1.134	1.188	1.237	15,9%	4,7%
Provisions for contingencies	199	213	213	222	6,8%	0,0%
Provisions for dividend, interest payments and reappreciation of financial issued regulatory capital instruments	183	263	384	400	110,0%	46,1%
Provisions for credit risk	637	738	881	917	38,2%	19,3%
Current taxes	407	1	130	135	-68,0%	11229,7%
Deferred taxes	-	0	-	-	-	-
Other liabilities	849	742	515	536	-39,4%	-30,6%
Liabilities in groups for sale	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>53.979</b>	<b>52.647</b>	<b>52.305</b>	<b>54.471</b>	<b>-3,1%</b>	<b>-0,7%</b>
<b>EQUITY</b>						
Capital	970	970	970	1.010	-0,03%	0,0%
Reserves	1.147	1.329	1.329	1.384	15,9%	0,0%
Other comprehensive income	63	-23	6	6	-90,5%	-125,8%
Retained earnings	-	-	-	-	-	-
Net income for the period	219	394	576	600	162,5%	46,1%
Provisions for dividend, interest payments and reappreciation of financial issued regulatory capital instruments	-183	-263	-384	-400	110,0%	46,1%
<b>Total owners' equity</b>	<b>2.217</b>	<b>2.407</b>	<b>2.497</b>	<b>2.600</b>	<b>12,6%</b>	<b>3,7%</b>
Non-controlling interests	11	10	14	15	30,1%	39,4%
<b>TOTAL EQUITY</b>	<b>2.228</b>	<b>2.417</b>	<b>2.510</b>	<b>2.614</b>	<b>12,6%</b>	<b>3,8%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>56.208</b>	<b>55.064</b>	<b>54.816</b>	<b>57.086</b>	<b>-2,5%</b>	<b>-0,5%</b>