

# Quarterly Financial Report

1Q22





## BancoEstado Key Figures

### Key figures of the quarterly income statement

	1Q21	4Q21 Ch\$ billion	1Q22	1Q22 US\$ million	Change	
					1Q22/1Q21	1Q22/4Q21
Net interest income	202.9	220.7	297.6	377.7	46.7%	34.8%
Net income from inflation adjustments	75.3	170.1	135.0	171.3	79.2%	-20.7%
Net fee and commission income	100.2	135.5	109.6	139.0	9.3%	-19.1%
<b>Net interest, inflation adjustment &amp; fee income</b>	<b>378.4</b>	<b>526.3</b>	<b>542.1</b>	<b>688.0</b>	<b>43.3%</b>	<b>3.0%</b>
Net financial income	31.8	39.5	59.5	75.5	87.3%	50.6%
Other operating & non op. income	-9.9	13.9	31.3	39.7	-416.2%	125.7%
<b>Operating income</b>	<b>400.3</b>	<b>579.7</b>	<b>632.9</b>	<b>803.2</b>	<b>58.1%</b>	<b>9.2%</b>
Operating expense	-220.9	-233.4	-241.9	-306.9	9.5%	3.6%
<b>Operating results (before credit losses)</b>	<b>179.3</b>	<b>346.3</b>	<b>391.0</b>	<b>496.2</b>	<b>118.0%</b>	<b>12.9%</b>
Credit loss expenses	-59.0	-89.7	-84.3	-106.9	42.9%	-6.1%
<b>Net income before taxes</b>	<b>120.4</b>	<b>256.6</b>	<b>306.8</b>	<b>389.3</b>	<b>154.9%</b>	<b>19.6%</b>
Income tax	-51.5	-107.5	-119.4	-151.6	132.0%	11.1%
<b>Net income after taxes</b>	<b>68.9</b>	<b>149.1</b>	<b>187.3</b>	<b>237.7</b>	<b>171.9%</b>	<b>25.6%</b>
Non-controlling interests	2.7	3.8	4.1	5.2	52.0%	8.5%
Net income attributable to equity holders	66.2	145.3	183.2	232.5	176.9%	26.1%

### Key figures of the balance sheet

	1Q21	4Q21 Ch\$ billion	1Q22	1Q22 US\$ million	Change	
					1Q22/1Q21	1Q22/4Q21
Total assets	48,616	53,586	57,671	73,189	18.6%	7.6%
Loans	26,935	28,259	28,278	35,886	5.0%	0.1%
Liquid assets	18,442	20,569	24,707	31,354	34.0%	20.1%
Total liabilities	46,594	51,348	55,462	70,385	19.0%	8.0%
Customer funds	32,744	36,605	36,211	45,955	10.6%	-1.1%
Issued debt instruments	8,501	8,775	8,100	10,280	-4.7%	-7.7%
Equity	2,022	2,238	2,209	2,804	9.3%	-1.3%

### Key ratios

	1Q21	4Q21 %	1Q22	Change	
				1Q22/1Q21	1Q22/4Q21
ROAE	23.8%	45.9%	55.5%	32 pp	10 pp
Efficiency ratio	55.2%	40.3%	38.2%	-1698 bp	-205 bp
Net interest margin	3.3%	3.6%	4.0%	73 bp	45 bp
Risk index	3.3%	3.1%	3.2%	-15 bp	7 bp
Coverage PDL	277.4%	398.2%	422.1%	145 pp	24 pp
PDL/Loans	1.2%	0.8%	0.8%	-45 bp	-3 bp
Tier 1 capital ratio	8.4%	8.7%	8.7%	32 bp	-2 bp
BIS ratio	13.1%	13.3%	13.4%	33 bp	9 bp
Basel III		12.4%	12.5%		3 bp

### Operational and coverage figures

	1Q21	4Q21 #	1Q22	Change	
				1Q22/1Q21	1Q22/4Q21
Employees	14,966	15,489	15,336	370	-153
Branches	412	400	399	-13	-1
ATMs	2,312	2,328	2,336	24	8

### Rating Agencies

	Long term	Short term	Outlook
S&P	A	A-1	Stable
Moody's	A1	P-1	Negative

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## 1Q22 Milestones

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The global economic outlook has become more uncertain in recent months. The pandemic-related effects and the geopolitical conflict in Europe are affecting the economy. In this context, inflation has increased significantly, reaching historic levels in several countries. As a result, higher uncertainty is harming the confidence of businesses and consumers. Inflation will remain high over 2022. This environment has led monetary authorities to accelerate monetary normalization processes and financial conditions have deteriorated around the world.

The Chilean economy began to slow down in 1Q22 and GDP grew just 7.2% in 1Q22 (after reaching 11.7% in 2021). Consumption has moderated its pace of expansion and investment has also lost momentum. In this context, the economy is expected to grow by 1.0%-2.0% in 2022. The labour market shows an increase in participation and unemployment is decreasing. In 1Q22 the unemployment rate was 7.8%.

The Central Bank increased the monetary policy rate at a faster pace than expected and the MPR reached 7.0% in March 2022.

Annual inflation and its outlook are already high. CPI rose 9.4% in March compared to the same month last year. This increase was driven by the increase in food and fuel prices. Core inflation reached 7.6% annually.

In 1Q22, the Chilean peso appreciated against the US dollar, even though it had accumulated a significant depreciation in the previous quarters (peso/dollar parity appreciated 5.9% QoQ).

The 1Q22 Banking Credit Survey reported that the credit supply is perceived to have tightened for commercial loans, while remaining stable for personal loans. On the other hand, demand has diminished in the different segments.

## Events affecting BancoEstado

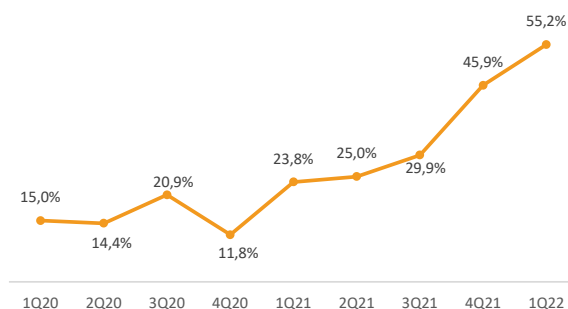
President of the Republic, Mr. Gabriel Boric, announced the appointment of a new Executive Committee for BancoEstado lead by Ms. Jessica López as Chairwoman, Mr. Daniel Hojman as Vice-Chairman and Mr. Oscar González as CEO. The Government also appointed new members to the Board of Directors of BancoEstado.



## Summary of Results

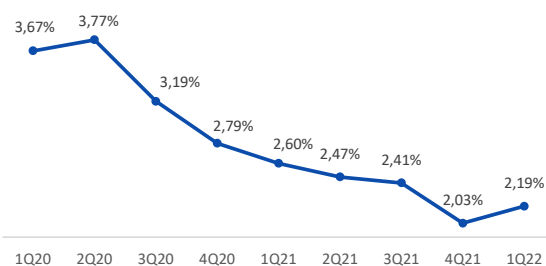
### BancoEstado Key Indices

#### ROAE (%)



Source: BancoEstado.

#### Non-Performing Loans (%)



Source: BancoEstado.

Net income before taxes reached Ch\$ 306.8 bn (US\$ 389.3 million), an increase of 19.6% compared to the previous quarter, mainly due to an increase in net interest income due to a higher rates and inflation adjustments and an upsurge in net financial income.

ROAE after taxes was 33.9% in 1Q22, an increase of 20.3pp compared to 1Q21.

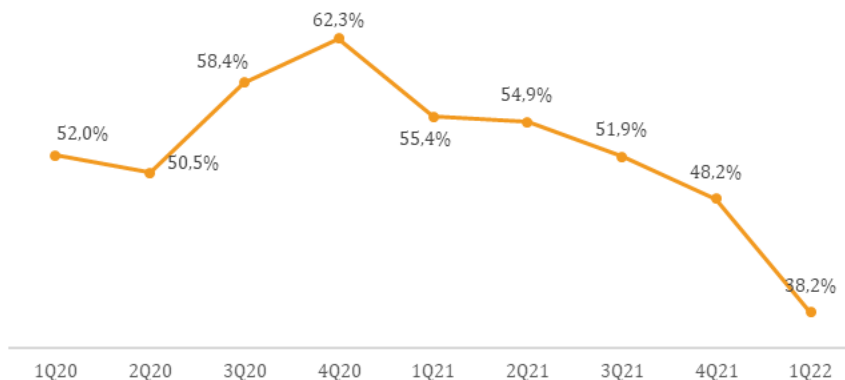
Non-performing loans reached 2.19% of total loans in 1Q22, increasing 16bp QoQ (-41bp YoY).

It remains below average levels and still reflects temporary effects such as the excess of liquidity in the market and fiscal transfers made by the government. The index should normalize as the support measures begin to expire.

BancoEstado's market share reached 13.7% of total loans as of March 2022.



### Efficiency (%)



Source: BancoEstado.

Efficiency improved to 38.2% in 1Q22, from 48.2% in the year 2021. Improving efficiency has been a challenge for BancoEstado. In fact, the bank is changing 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.

### Credit Ratings

**MOODY'S**

Long-Term	A1
Outlook	Negative
Short-Term	P-1

**S&P Global**  
Ratings

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



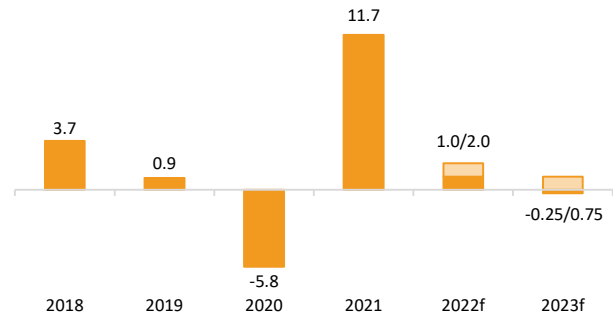
## I. Economic Environment

### Economic Growth (annual change, %)

	2020	2021	2022f	2023f
GDP	-6.0	11.7	1.0-2.0	-0.25/0.75
National Income	-4.7	15.9	0.1	0.4
Domestic demand	-9.3	21.6	-1.2	-1.1
Gross fixed capital formation	-9.3	17.6	-3.8	-0.2
Total consumption	-7.2	18.2	-0.2	-0.8
Exports - Goods and services	-1.1	-1.5	3.3	5.4
Imports - Goods and services	-12.7	31.3	-4.7	0.7

Source: Central Bank of Chile.

### GDP (annual growth, %)



Source: Central Bank of Chile.

### Economic Environment

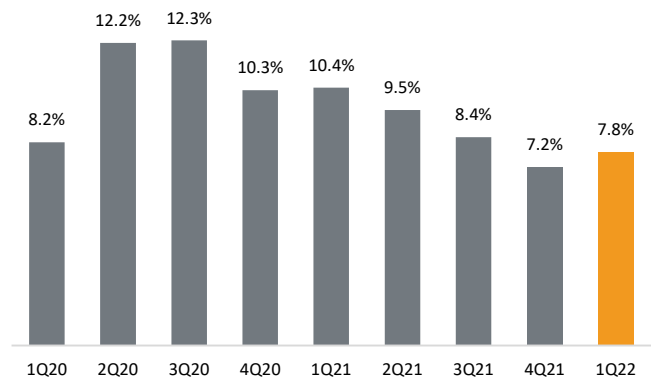
The Chilean economy began to slow down in 1Q22. In fact, GDP grew 7.2% in 1Q22 after reaching 11.7% in 2021, the highest in decades. The slowdown combines a deceleration of activity in most economic sectors and a notable drop in trade. On the other hand, consumption has moderated its pace of expansion and investment has also lost momentum. In this context, the economy is expected to grow by 1.0%-2.0% in 2022.

### Unemployment rate (%)

In 1Q22, the unemployment rate was 7.8%.

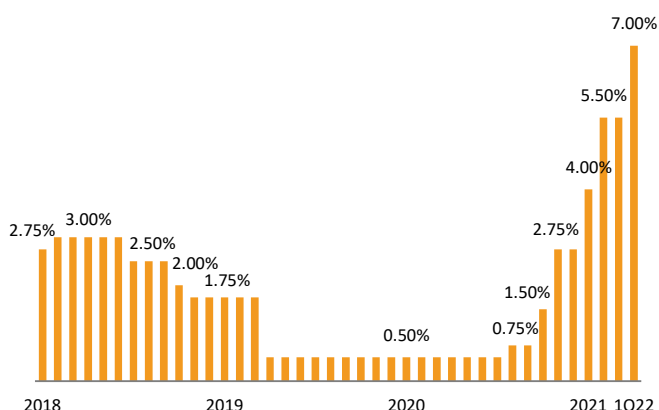
The labour market shows an increase in participation and unemployment decreased 2.6pp in twelve months, boosted by reduced pandemic-related risks and employment subsidy programmes. In this context, employment increased 8.0% YoY and formal and self-employed employment is returning to pre-pandemic levels.

Nevertheless, the expectations of businesses and consumers has become less optimistic and demand for labour has lost dynamism.





Monetary policy rate (%)



Source: Central Bank of Chile.

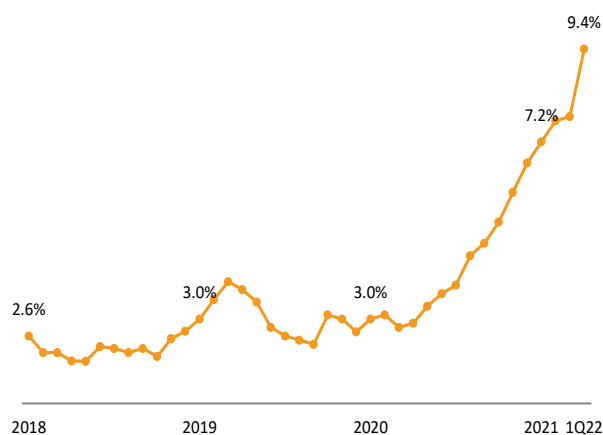
Monetary policy

The Central Bank increased the monetary policy rate at a faster pace than expected, reducing its monetary impulse.

In fact, the MPR was raised by 150bp in January and by additional 150bp in March, reaching 7.0%. It is expected that this trend will continue in a context of higher inflationary pressures.

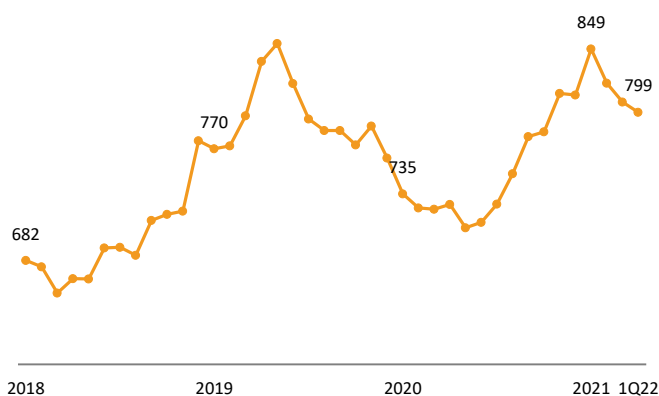
CPI rose 9.4% in March compared to the same month last year. Annual inflation was driven mainly by the increase in food and fuel prices. In fact, the conflict in Ukraine has introduced an adverse factor into the global economic scenario with a significant effect on import prices. Additionally, the strong impulse towards domestic spending last year and the depreciation of the peso have also led to higher prices. Core inflation (which excludes volatile items) reached 7.6% annually, driven mainly by the hike in the price of goods. Annual inflation and its outlook are already high. In this context, private expectations are that inflation will remain above the target of 3.0% for the two-year horizon.

Inflation (annual CPI, %)



Source: INE

Exchange rate (Ch\$ per US\$, monthly average)



Source: Central Bank of Chile.

Exchange rate

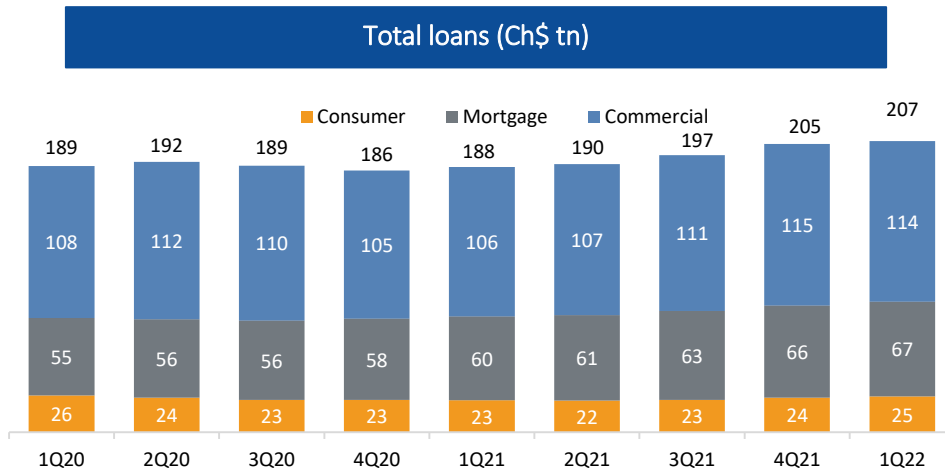
In 1Q22 the Chilean peso appreciated against the US dollar, even though it has accumulated a significant depreciation in the previous quarters.

The peso/dollar parity appreciated 5.9% QoQ, reflecting a slight rebound in the local stock market and higher copper prices, and also a context of less uncertainty regarding the local political and economic scenario.





## II. Banking Industry

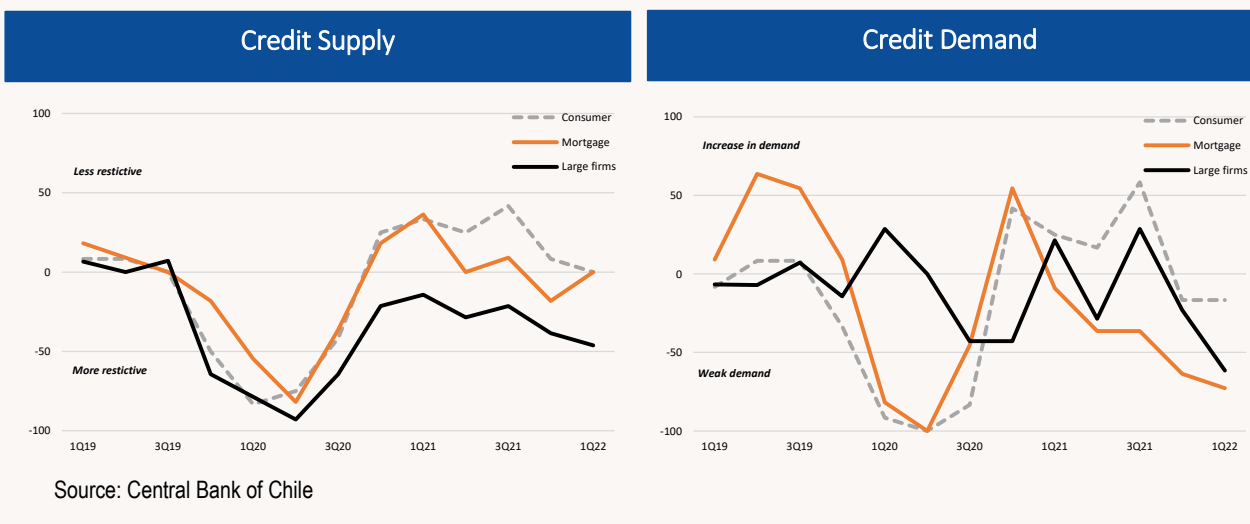


In 1Q22, Chile’s banking system amounted to Ch\$ 207 trillion (US\$ 262 billion) in total loans (excluding subsidiaries abroad), reaching an annual growth of 9.8% (1.0% QoQ).

This expansion was driven by growth in consumer loans, which increased by 12.4% YoY (4.2% QoQ). The dynamics of the domestic market for mortgage loans is weakening due more restrictive conditions and the increase in long-term interest rates. In fact, mortgage loans grew 12.8% YoY (2.4% QoQ). It should be pointed out that mortgage loans were positively induced by the inflation rate, which influenced the volume of loans mainly denominated in UF (*Unidad de Fomento*, this Unit of Account is indexed to the rate of variation of the CPI; the UF increased 7.9% YoY and 2.4% QoQ).

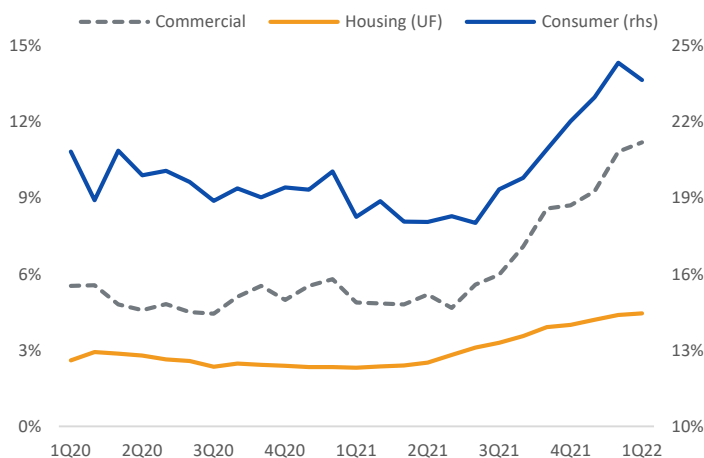
Commercial loans increased by 7.6 YoY (-0.5 QoQ), revealing the economic slowdown and uncertainty about the local and international economic and political outlook, which has translated into cautious expectations.

The 1Q22 Banking Credit Survey reported that the credit supply is perceived to have tightened for commercial loans, while remained stable for personal loans. On the other hand, demand has diminished in the different segments.





## Interest rates (%)



Source: Central Bank of Chile

Interest rates have increased in 2022. In the first quarter, inflation was higher than expected and the monetary policy rate was raised to 7.0% in March.

In a context of a higher headline inflation and in line with expectations of further adjustments in the monetary policy rate, the average interest rates of the system are higher in 1Q22 compared to 2021.

The interest rates on commercial loans averaged 11.2%, 631 bp over the rate observed in 1Q21 (and +248bp regarding 4Q21).

Likewise, the average interest rate on consumer loans increased to 23.7%, reaching 540 bp higher than the 1Q21 (+163bp over 4Q21). Interest rates associated with mortgage loans averaged 4.5% (4.0% in Dec 2021).

## Banking System Results

### Banking System Performance

Key ratios as of March 2022

The banking system reported a net income of Ch\$ 1,576 billion (US\$ 2.0 billion) in 1Q22, up \$388 billion (US\$ 0.5 billion) or 32.7% from 1Q21. These results mainly reflect higher income from inflation adjustments and higher interest rates.

After-tax ROAE in 1Q22 was 21.2%.

	Index	Annual change
ROAE b.t	25.3%	417 bps
ROAE a.t	21.2%	468 bps
Efficiency	41.7%	-664 bps
NPLs/Loans	1.3%	-25 bps
Tier 1	10.9%	-
BIS ratio	15.3%	-

Source: Financial Market Commission (CMF)



### III. BancoEstado Results

#### Analysis of the Quarterly Income Statement

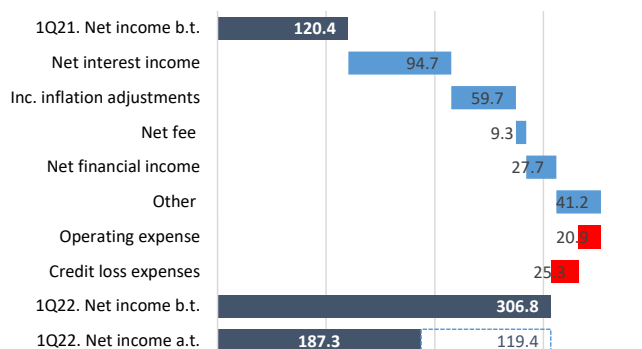
##### Net income

BancoEstado's net income after taxes increased to Ch\$ 187.3 bn (US\$ 237.7 million), an increase of 25.6% compared to 4Q21.

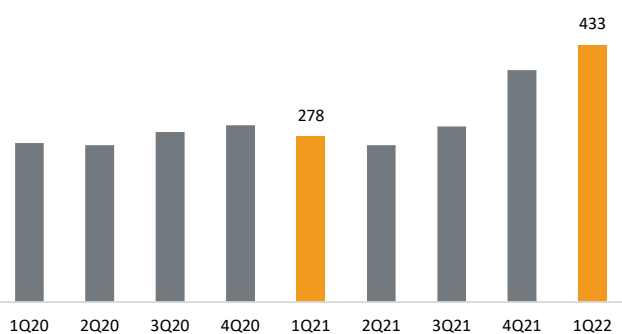
In annual terms, net income increased 171.9% driven by an increase in net interest income due to higher rates and inflation adjustments and an upsurge in net financial income and other operating income.

In 1Q22 after-tax ROAE reached 33.9% (vs. 26.7% in 4Q21), an increase of 20.3pp compared to 1Q21. ROAE b.t. was 55.5%.

##### Net income development (Ch\$ bn) 1Q21 – 1Q22



##### Net income from interest & inflation adj. (Ch\$ bn)



##### Net income from interest and inflation adjustment

Net interest income increased 34.8% QoQ, explained mainly by the higher interest rates in the market. On the other hand, the net income from inflation adjustments decreased -20.7% QoQ.

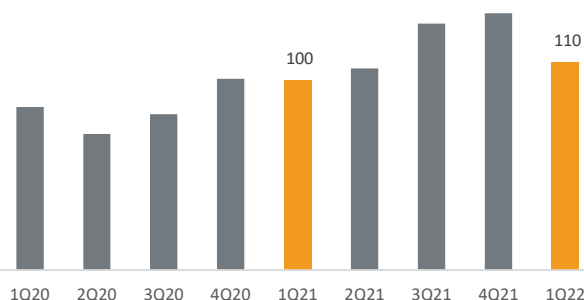
Compared to 1Q21, net interest income and net income from inflation adjustment increased 46.7% and 79.2% YoY, respectively.

Net interest-earning asset yield increased 101bp QoQ to 4.8%.

##### Net fee & commission income

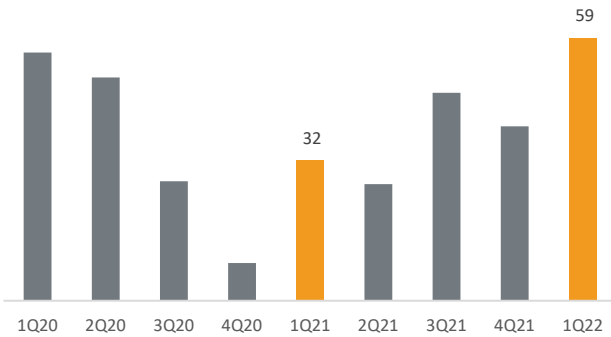
Net fee income decreased -19.1% QoQ (increased 9.3% YoY), reflecting the higher volume of transactions and payments made in 4Q21.

##### Net fee income (Ch\$ bn)





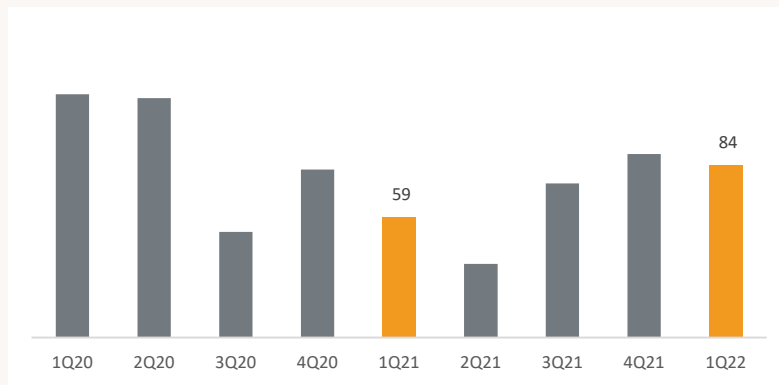
Net financial income (Ch\$ bn)



Net financial income

Net financial income increased 87.3% YoY (and 50.6% QoQ).

Credit loss expenses (Ch\$ bn)



Credit loss expenses totalled Ch\$ 84.3 bn (42.9% YoY and -6.1% QoQ).

In 1Q22, regulatory gross provisions and charge-offs amounted to Ch\$85.0 bn, representing an annual increase of Ch\$35.7 bn. On the other hand, loan loss recoveries decreased 11.4% YoY and totalled Ch\$20.7 bn. This quarter no additional provisions were made and impairment for credit risk for other financial assets amounted to Ch\$20.3 bn.

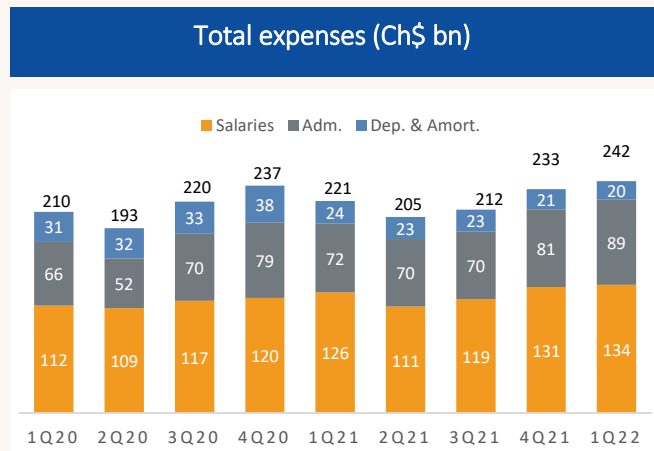
Overall, our coverage ratio reached 422% in 1Q22. Non-performing loans/total loans reached 2.19% in 1Q22, increasing 16bp QoQ and (-41bp YoY). PDL/loans reached 0.76% in 1Q22, from 0.78% in the previous quarter.



**Operating expenses**

In 1Q22 operating expenses increased 9.5% YoY (3.6% QoQ) and amounted Ch\$241.9 bn. This increase was attributable to expenditures indexed to inflation.

As a result, BancoEstado's operating efficiency ratio improved to 38.2% in 1Q22, from 48.2% in 2021.



**Other income & expenses**

Other net operating income amounted to Ch\$31.3 bn, reflecting an increase of 146.6% QoQ (-293.1% from the previous year)

Income taxes amounted to Ch\$ 119.4 bn, reflecting an income tax rate of 38.9% in 1Q22.



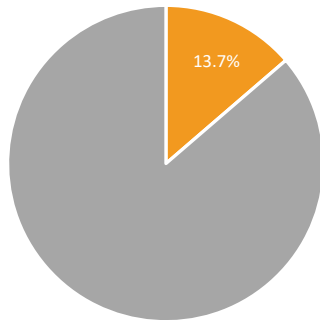
## Statement of Financial Position

**Total loans increased 5.0% YoY (0.1% QoQ), with a market share of 13.7%.**

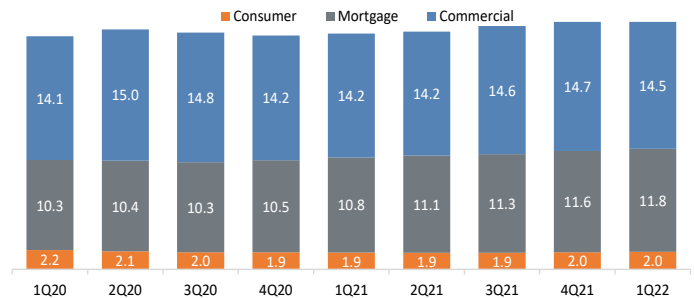
BancoEstado’s total loans increased 0.1% QoQ. In the quarter, the increase in loans to individuals was offset by the decrease in the commercial portfolio.

In fact, commercial loans decreased -1.6% QoQ (2.4% YoY), driven by a reduction in corporate and SME loans. On the other hand, consumer loans increased 4.2% YoY (2.8% QoQ) and the mortgage loan portfolio increased 8.5% YoY (1.8% QoQ) in 1Q22, this growth is explained mainly by the higher inflation.

BancoEstado market share (%)



Total loans (Ch\$ tn)



### Financial investments

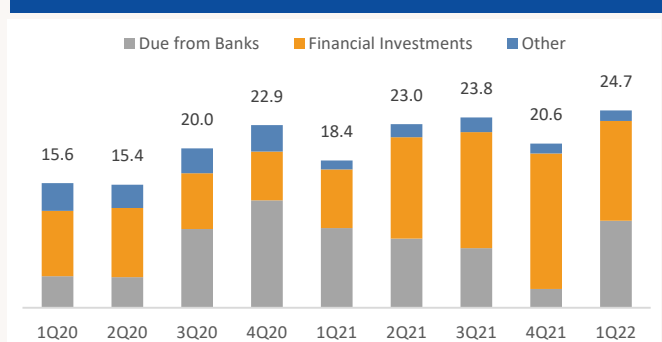
Financial investments totalled Ch\$12.5 bn, increasing 70.2% YoY. In the quarter, financial assets decreased 26.4% QoQ, reflecting an adjustment in the financial debt instruments.

### Liquidity

Liquid assets increased 20.1% QoQ (34.0% YoY) primarily due to an increase in deposits from the Central Bank, partially offset by the decrease in financial investments.

The bank's liquid assets represent 42.8% of total assets in 1Q22 (38.4% in the previous quarter).

Liquid assets (Ch\$ tn)



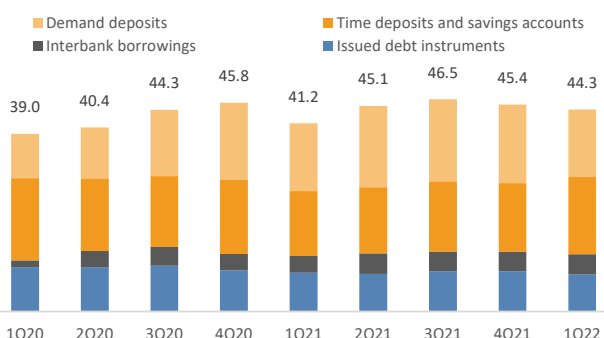


**Funding.** BancoEstado funding structure has remained relatively stable. Nevertheless, the demand deposit stock has begun to normalize after rising due to the household-support measures implemented in 2020-21.

Total customer deposits decreased 1.7% QoQ (increased 9.2% YoY), reflecting a decrease of 14.1% QoQ in demand deposits, while time deposits and saving accounts increased 12.6% QoQ.

BancoEstado's funding through the issuance of debt instruments decreased 8.9% QoQ (-6.3% YoY) mainly due to lending facilities deployed by the Central Bank of Chile. Issued regulatory capital instruments remained stable (0.7% QoQ).

### Funding Liabilities (Ch\$ tn)

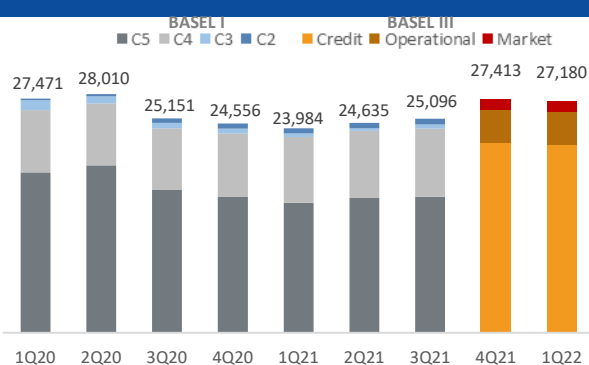


### Regulatory Capital

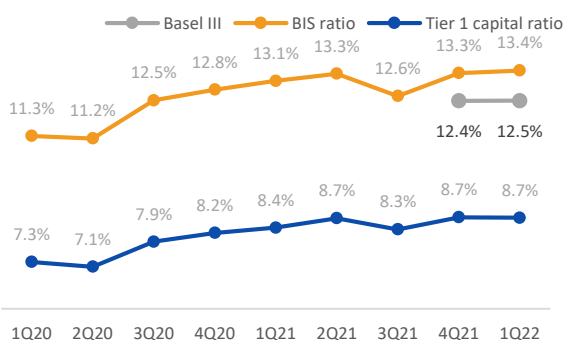
Capital adequacy (BIS ratio) reached 13.4% in 1Q22, an increase of 9bp from 4Q21 (+33bp YoY). Tier 1 ratio was 8.7%, increasing 32bp from 1Q21. Since December 2021, the implementation process of Basel III began to operate in Chile. In line with the Basel III requirements, risk-weighted assets amounted Ch\$27.2 trillion and the Basel III ratio reached 12.5%.

In this matter, BancoEstado expects the additional capitalisation of US\$1,500 million approved by the Ministry of Finance in or before December 2025.

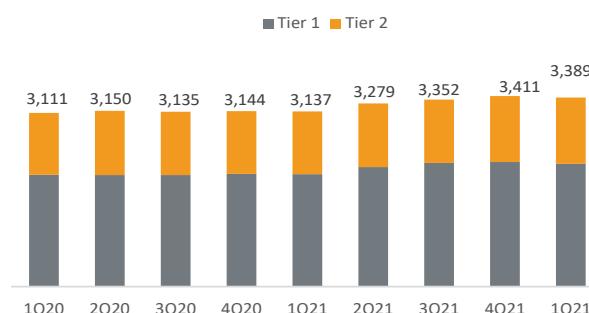
### Risk-weighted assets (Ch\$ bn)



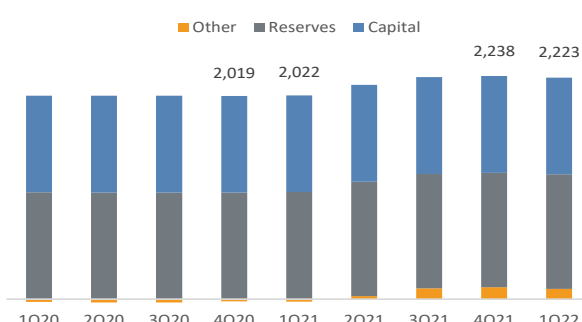
### Tier I & BIS Ratio (%)



### Regulatory capital (Ch\$ bn)



### Total Equity (Ch\$ bn)





## Tables

Table 1. Net interest income & margin

	1Q21	4Q21	1Q22	1Q22	Change		
					Ch\$ billion	US\$ million	1Q22/1Q21
Interest income	300.3	415.8	516.8	655.8		72.1%	24.3%
Interest expense	-97.4	-195.1	-219.2	-278.2		125.1%	12.3%
Net income from inflation adjustments	75.3	170.1	135.0	171.3		79.2%	-20.7%
<b>Net interest income</b>	<b>278.2</b>	<b>390.9</b>	<b>432.6</b>	<b>548.9</b>		<b>55.5%</b>	<b>10.7%</b>
Average interest-earning assets	33,603.4	43,483.5	42,790.2	54,303,610		27.3%	-1.6%
Average loans	26,756.7	28,045.8	28,303.2	35,918,704		5.8%	0.9%
Interest-earning asset yield	3.6%	3.8%	4.8%			126 bp	101 bp
Net interest margin (NIM)	3.3%	3.6%	4.0%			73 bp	45 bp
Avg. Equity & demand dep. / Avg. int-earn. assets	52.6%	44.8%	42.0%			-1067 bp	-285 bp
Quarterly inflation rate	1.11%	2.97%	2.36%			125 bp	-61 bp
Central Bank reference rate (end of period)	0.50%	4.00%	7.00%			650 bp	300 bp
Avg.10-year Central Bank yield (real)	0.14%	2.28%	1.93%			179 bp	-35 bp

Table 2. Net fee and commission income

	1Q21	4Q21	1Q22	1Q22	Change		
					Ch\$ billion	US\$ million	1Q22/1Q21
Collection fees	28.8	35.6	28.6	36.3		-0.7%	-19.7%
Lines of credit	0.5	0.6	0.6	0.7		9.9%	3.2%
Accounts administration & card fees	54.3	70.7	52.5	66.6		-3.3%	-25.7%
Insurance brokerage	7.8	11.7	9.7	12.3		25.0%	-17.3%
Guarantees, pledges and other contingent operations	2.9	5.3	4.3	5.5		50.0%	-18.3%
Fees from brokerage and custody of securities	-3.8	-1.7	-0.6	-0.7		-85.3%	-66.4%
Pre-payment fees	3.9	4.6	4.7	6.0		20.0%	3.3%
Other fees	5.8	8.7	9.7	12.3		66.3%	11.1%
<b>Total fees</b>	<b>100.2</b>	<b>135.5</b>	<b>109.6</b>	<b>139.0</b>		<b>9.3%</b>	<b>-19.1%</b>

Table 3. Net financial income

	1Q21	4Q21	1Q22	1Q22	Change		
					Ch\$ billion	US\$ million	1Q22/1Q21
Assets for trading at fair value	-1.9	8.3	12.1	15.3		-741.6%	45.0%
Derivative contracts	10.2	-74.4	136.7	173.5		1236.9%	-283.7%
Assets at fair value with changes in other income	6.6	-6.9	9.1	11.6		38.6%	-231.7%
Other	5.4	5.8	6.0	7.6		11.8%	4.5%
<b>Net income (expense) from financial op.</b>	<b>20.3</b>	<b>-67.3</b>	<b>163.9</b>	<b>208.0</b>		<b>706.6%</b>	<b>-343.7%</b>
Exchange differences	58.6	2.6	120.4	152.7		105.3%	4449.5%
Foreign currency indexing	3.0	7.1	-3.2	-4.0		-206.7%	-144.4%
Net hedging income	-50.2	97.0	-221.6	-281.3		341.7%	-328.5%
<b>Net foreign exchange gain/loss</b>	<b>11.4</b>	<b>106.8</b>	<b>-104.5</b>	<b>-132.6</b>		<b>-1013.8%</b>	<b>-197.8%</b>
<b>Net results from financial transactions</b>	<b>31.8</b>	<b>39.5</b>	<b>59.5</b>	<b>75.5</b>		<b>87.3%</b>	<b>50.6%</b>

Table 4. Credit loss expenses

	1Q21	4Q21	1Q22	1Q22	Change		
					Ch\$ billion	US\$ million	1Q22/1Q21
Regulatory gross provisions & charge-offs	-49.3	-53.5	-85.0	-107.8		72.5%	58.8%
Loan loss recoveries	20.6	23.3	20.7	26.2		0.3%	-11.4%
<b>Net regulatory provisions &amp; charge-offs</b>	<b>-28.7</b>	<b>-30.2</b>	<b>-64.3</b>	<b>-81.6</b>		<b>124.4%</b>	<b>113.1%</b>
Expense for special provisions for credit risk	-30.3	-59.5	0.3	0.4		-101.1%	-100.6%
Impairment for credit risk	0.0	0.0	-20.3	-25.7			
<b>Credit loss expenses</b>	<b>-59.0</b>	<b>-89.7</b>	<b>-84.3</b>	<b>-106.9</b>		<b>42.9%</b>	<b>-6.1%</b>
Total loans	26,935	28,259	28,278	35,886		5.0%	0.1%
Allowance for loan losses	-900	-882	-904	-1,147		0.4%	2.4%
Past due loans (PDL)	324	222	214	272		-34.0%	-3.4%
Non-performing loans/Loans	2.6%	2.0%	2.2%			-41 bp	16 bp
Net provisions for loan losses/Loans	0.4%	0.4%	0.9%			48 bp	48 bp
Credit loss expenses ratio	0.9%	1.3%	1.2%			32 bp	-8 bp
PDL/Loans	1.2%	0.8%	0.8%			-45 bp	-3 bp
Coverage of PDL	277.4%	398.2%	422.1%			145 pp	24 pp
Risk Index	3.3%	3.1%	3.2%			-15 bp	7 bp





Table 5. Operating Expenses

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
Personnel salaries and expenses	-125.8	-131.5	-133.6	-169.6	6.2%	1.6%
Administrative expenses	-71.5	-80.9	-88.7	-112.6	24.0%	9.7%
Depreciation and amortization	-23.6	-21.1	-19.5	-24.8	-17.4%	-7.3%
Impairment	0.0	0.0	0.0	0.0		
<b>Operating expenses</b>	<b>-220.9</b>	<b>-233.4</b>	<b>-241.9</b>	<b>-306.9</b>	<b>9.5%</b>	<b>3.6%</b>
Efficiency ratio	55.2%	40.3%	38.2%		-17 pp	-2 pp

Table 6. Other income and expenses

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
Other operating income	7.0	27.6	44.1	56.0	530.0%	59.9%
Other operating expense	-17.3	-12.9	-13.8	-17.6	-20.0%	7.2%
<b>Other operating income (expense), net</b>	<b>-10.3</b>	<b>14.7</b>	<b>30.3</b>	<b>38.5</b>	<b>-394.2%</b>	<b>106.1%</b>
Income attributable to investments in other companies	-0.2	1.4	0.8	1.0	-442.0%	-45.2%
Income taxes	-51.5	-107.5	-119.4	-151.6	132.0%	11.1%
Income tax rate	42.8%	41.9%	38.9%		-3.8 pp	-2.9 pp

Table 7. Total loans

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
<b>Commercial &amp; industrial loans</b>	<b>14,151</b>	<b>14,731</b>	<b>14,488</b>	<b>18,387</b>	<b>2.4%</b>	<b>-1.6%</b>
SME	5,590	3,689	3,651	4,633	-34.7%	-1.0%
Corporate and large enterprises	8,561	11,042	10,837	13,753	26.6%	-1.8%
<b>Consumer loans</b>	<b>1,942</b>	<b>1,968</b>	<b>2,023</b>	<b>2,567</b>	<b>4.2%</b>	<b>2.8%</b>
Installments	1,635	1,624	1,650	2,094	0.9%	1.6%
Credit cards & current account overdraft	307	344	373	474	21.5%	8.6%
<b>Mortgage loans</b>	<b>10,841</b>	<b>11,560</b>	<b>11,766</b>	<b>14,932</b>	<b>8.5%</b>	<b>1.8%</b>
<b>Total loans</b>	<b>26,935</b>	<b>28,259</b>	<b>28,278</b>	<b>35,886</b>	<b>5.0%</b>	<b>0.1%</b>

Table 8. Financial investments

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
For trading at fair value	974	1,063	565	718	-42.0%	-46.8%
At fair value	6,290	15,880	11,897	15,098	89.1%	-25.1%
At amortized cost	79	46	35	44	-56.0%	-24.2%
<b>Total Financial Investments</b>	<b>7,343</b>	<b>16,989</b>	<b>12,497</b>	<b>15,859</b>	<b>70.2%</b>	<b>-26.4%</b>

Table 9. Liquidity

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
Financial Investments	7,343	16,989	12,497	15,859	70.2%	-26.4%
Unsettled transactions	441	289	716	908	62.1%	147.9%
Investments under repurchase agreements	58	177	45	58	-21.6%	-74.5%
Due from Central Bank	9,000	954	9,839	12,486	9.3%	931.8%
Due from Chilean banks	0	0	4	5	780.6%	2246.5%
Due from foreign banks	981	1,404	1,052	1,335	7.2%	-25.1%
Cash	619	757	555	704	-10.4%	-26.7%
<b>Liquid assets</b>	<b>18,442</b>	<b>20,569</b>	<b>24,707</b>	<b>31,354</b>	<b>34.0%</b>	<b>20.1%</b>
Liquid assets / Total assets	37.9%	38.4%	42.8%		4.9 pp	4.5 pp

Table 10. Funding

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
Demand deposits	14,881	17,265	14,835	18,827	-0.3%	-14.1%
Time deposits and savings accounts	14,190	15,015	16,908	21,457	19.2%	12.6%
Total customer deposits	29,071	32,280	31,743	40,285	9.2%	-1.7%
Interbank borrowings	3,673	4,325	4,468	5,670	21.6%	3.3%
<b>Total customer funds</b>	<b>32,744</b>	<b>36,605</b>	<b>36,211</b>	<b>45,955</b>	<b>10.6%</b>	<b>-1.1%</b>
Issued debt instruments	7,481	7,693	7,010	8,896	-6.3%	-8.9%
Issued regulatory capital instruments	1,019	1,082	1,090	1,383	6.9%	0.7%



Table 11. Owner's equity

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
Capital	970	970	970	1,231	0.0%	0.0%
Reserves	1,075	1,146	1,150	1,459	7.0%	0.3%
Other	-23	121	89	113	-482.6%	-26.8%
<b>Total equity</b>	<b>2,022</b>	<b>2,238</b>	<b>2,209</b>	<b>2,804</b>	<b>9.3%</b>	<b>-1.3%</b>
Equity attributable to main owners	2,012	2,233	2,201	2,793	9.3%	-1.5%
ROAE	23.8%	45.9%	55.5%		31.7 pp	9.7 pp

Table 12. Capital adequacy

	1Q21	4Q21	1Q22	1Q22	Change	
	Ch\$ billion			US\$ million	1Q22/1Q21	1Q22/4Q21
Tier 1	2,012	2,233	2,201	2,793	9.3%	-1.5%
Tier 2	1,125	1,178	1,189	1,509	5.7%	0.9%
Regulatory capital	3,137	3,411	3,389	4,301	8.0%	-0.6%
Risk-weighted assets (credit)	23,984	25,590	25,264	32,061	5.3%	-1.3%
Tier 1 ratio	8.4%	8.7%	8.7%		32 bp	-2 bp
BIS ratio	13.1%	13.3%	13.4%		33 bp	9 bp
Risk-weighted assets (Basel III)		27,413	27,180	34,493		-0.9%
<b>Basel III</b>		<b>12.4%</b>	<b>12.5%</b>			<b>3 bp</b>



## IV. Annex

### Quarterly Income Statements

	1Q21	4Q21	1Q22	1Q22 US\$ million	Change	
	Ch\$ billion				1Q22/1Q21	1Q22/4Q21
Interest income	300	416	517	656	72.1%	24.3%
Interest expense	-97	-195	-219	-278	125.1%	12.3%
Net interest income	203	221	298	378	46.7%	34.8%
Net income from inflation adjustments	75	170	135	171	79.2%	-20.7%
Fees and commission income	157	202	178	226	13.5%	-11.9%
Fees and commission expense	-57	-67	-69	-87	20.9%	2.9%
Net fee and commission income	100	135	110	139	9.3%	-19.1%
Net gain/loss from financial operations	20	-67	164	208	706.6%	-343.7%
Foreign exchange gain/loss net	11	107	-104	-133	-1013.8%	-197.8%
Net results from financial transactions	32	40	59	75	87.3%	50.6%
Other operating revenue	-10	14	31	40	-416.2%	125.7%
<b>Total operating income</b>	<b>400</b>	<b>580</b>	<b>633</b>	<b>803</b>	<b>58.1%</b>	<b>9.2%</b>
Personnel salaries and expenses	-126	-131	-134	-170	6.2%	1.6%
Administrative expenses	-72	-81	-89	-113	24.0%	9.7%
Depreciation and amortization	-24	-21	-20	-25	-17.4%	-7.3%
Impairment	0	0	0	0		
Operating expenses	-221	-233	-242	-307	9.5%	3.6%
<b>Net income before credit losses</b>	<b>179</b>	<b>346</b>	<b>391</b>	<b>496</b>	<b>118.0%</b>	<b>12.9%</b>
Credit loss expenses	-59	-90	-84	-107	42.9%	-6.1%
<b>INCOME BEFORE INCOME TAXES</b>	<b>120</b>	<b>257</b>	<b>307</b>	<b>389</b>	<b>154.9%</b>	<b>19.6%</b>
Income taxes	-51	-107	-119	-152	132.0%	11.1%
<b>NET INCOME FOR THE PERIOD</b>	<b>69</b>	<b>149</b>	<b>187</b>	<b>238</b>	<b>171.9%</b>	<b>25.6%</b>
Net income attributable to equity holders	66	145	183	233	176.9%	26.1%
Net income attributable to non-controlling interest	3	4	4	5	52.0%	8.5%



## Financial Information

	1Q21	4Q21	1Q22	1Q22	Change	
		Ch\$ billion		US\$ million	1Q22/1Q21	1Q22/4Q21
<b>ASSETS</b>						
Cash and deposits in banks	10,600	3,114	11,449	14,529	8.0%	267.6%
Unsettled transactions	441	289	716	908	62.1%	147.9%
Financial assets for trading at fair value through earnings	2,098	2,802	2,330	2,956	11.0%	-16.8%
Derivative contracts	1,115	1,731	1,754	2,225	57.3%	1.3%
Debt instruments	974	1,063	565	718	-42.0%	-46.8%
Financial assets at fair value through other comprehensive income	6,290	15,880	11,897	15,098	89.1%	-25.1%
Debt instruments	6,290	15,880	11,897	15,098	89.1%	-25.1%
Financial derivative contracts for hedge accounting	93	507	124	157	33.0%	-75.6%
Financial assets at amortized cost	26,657	28,400	28,562	36,247	7.1%	0.6%
Investments under resale agreements	58	177	45	58	-21.6%	-74.5%
Financial debt instruments	79	46	35	44	-56.0%	-24.2%
Interbank loans	486	800	1,108	1,406	128.0%	38.5%
Loans and accounts receivable from customers.						
Commercial	13,592	14,170	13,915	17,659	2.4%	-1.8%
Loans and accounts receivable from customers.						
Mortgage	10,673	11,423	11,633	14,763	9.0%	1.8%
Loans and accounts receivable from customers.						
Consumer	1,769	1,784	1,826	2,317	3.2%	2.4%
Investments in other companies	18	20	20	26	15.2%	2.6%
Intangible assets	69	54	50	63	-27.9%	-7.5%
Property, plant and equipment	347	327	317	402	-8.8%	-3.1%
Right-of-use assets	98	85	87	110	-11.4%	2.3%
Current taxes	2	4	3	4	70.5%	-13.0%
Deferred taxes	1,197	1,432	1,444	1,833	20.6%	0.9%
Other assets	704	674	674	855	-4.3%	0.0%
Non-current assets and groups for sale	1	1	1	2	0.7%	105.8%
<b>TOTAL ASSETS</b>	<b>48,616</b>	<b>53,586</b>	<b>57,671</b>	<b>73,189</b>	<b>18.6%</b>	<b>7.6%</b>
<b>LIABILITIES</b>						
Unsettled transactions	1,473	274	5,713	7,250	287.7%	1981.8%
Financial liabilities for trading at fair value through earnings	1,057	1,772	1,735	2,202	64.1%	-2.1%
Financial derivative contracts for hedge accounting	241	72	208	263	-13.9%	186.8%
Financial liabilities at amortized cost	41,066	45,531	44,327	56,254	7.9%	-2.6%
Deposits and other demand liabilities	14,881	17,265	14,835	18,827	-0.3%	-14.1%
Time deposits and other time liabilities	14,190	15,015	16,908	21,457	19.2%	12.6%
Investments under repurchase agreements	700	1,113	971	1,233	38.8%	-12.7%
Interbank borrowings	3,673	4,325	4,468	5,670	21.6%	3.3%
Issued debt instruments	7,481	7,693	7,010	8,896	-6.3%	-8.9%
Other financial liabilities	141	120	134	170	-4.8%	11.8%
Leasing obligations	91	83	81	103	-10.6%	-2.6%
Issued regulatory capital instruments	1,019	1,082	1,090	1,383	6.9%	0.7%
Provisions for contingencies	160	186	181	229	13.0%	-2.7%
Provisions for dividend, interest payments and reappreciation of financial issued regulatory capital instruments	208	304	457	580	119.6%	50.2%
Provisions for credit risk	599	697	698	885	16.4%	0.1%
Current taxes	288	564	518	657	79.7%	-8.3%
Deferred taxes	0	0	0	0	-65.5%	1231.3%
Other liabilities	390	782	455	578	16.7%	-41.7%
Liabilities in groups for sale	-	-	-	-		
<b>TOTAL LIABILITIES</b>	<b>46,594</b>	<b>51,348</b>	<b>55,462</b>	<b>70,385</b>	<b>19.0%</b>	<b>8.0%</b>
<b>EQUITY</b>						
Capital	970	970	970	1,231	0.0%	0.0%
Reserves	1,075	1,146	1,150	1,459	7.0%	0.3%
Other comprehensive income	-33	56	-11	-14	-66.2%	-119.9%
Retained earnings	142	-	365	463	157.4%	
Net income for the period	66	365	183	233	176.9%	-49.8%
Provisions for dividend, interest payments and reappreciation of financial issued regulatory capital instruments	-208	-304	-457	-580	119.6%	50.2%
<b>Total owners' equity</b>	<b>2,012</b>	<b>2,233</b>	<b>2,201</b>	<b>2,793</b>	<b>9.3%</b>	<b>-1.5%</b>
Non-controlling interests	10	5	9	11	-9.6%	74.8%
<b>TOTAL EQUITY</b>	<b>2,022</b>	<b>2,238</b>	<b>2,209</b>	<b>2,804</b>	<b>9.3%</b>	<b>-1.3%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>48,616</b>	<b>53,586</b>	<b>57,671</b>	<b>73,189</b>	<b>18.6%</b>	<b>7.6%</b>