

Quarterly Financial Report

2Q21





BancoEstado Key Figures

Key figures of the quarterly income statement

	2Q20	1Q21 Ch\$ billion	2Q21	2Q21 US\$ million	Change	
					2Q21/2Q20	2Q21/1Q21
Net interest income	264.1	282.3	554.8	762	110.1%	96.5%
Net fee and commission income	71.9	100.6	201.4	277	180.3%	100.2%
Net interest, inflation adjustment & fee income	336.0	382.9	756.3	1,039	125.1%	97.5%
Net financial income	50.6	32.0	56.4	77	11.5%	76.4%
Provision expense	-117.0	-57.4	-93.3	-128	-20.2%	62.5%
Operating income, net of provisions	269.6	357.5	719.4	988	166.8%	101.2%
Operating expense	-192.9	-220.9	-425.4	-585	120.5%	92.6%
Other operating & non op. income	-4.5	-16.2	-39.1	-54	765.1%	141.7%
Net income before taxes	72.2	120.4	254.8	350	253.0%	111.7%
Income tax	-37.7	-51.5	-117.8	-162	212.5%	128.9%
Net income after taxes	34.5	68.9	137.0	188	297.2%	98.8%
Non-controlling interests	2.5	2.7	5.5	8	116.5%	102.3%
Net income attributable to equity holders	32.0	66.2	131.5	181	311.5%	98.7%

Key figures of the balance sheet

	2Q20	1Q21 Ch\$ billion	2Q21	2Q21 US\$ million	Change	
					2Q21/2Q20	2Q21/1Q21
Total assets	46,850	48,665	48,665	66,869	4%	0%
Loans	27,415	26,935	27,142	37,296	-1%	1%
Liquid assets	14,711	18,454	23,025	31,638	57%	25%
Total liabilities	44,842	46,642	46,642	64,090	4%	0%
Customer funds	30,685	32,744	36,844	50,626	20%	13%
Issued debt instruments	9,706	8,501	8,501	11,681	-12%	0%
Equity	2,009	2,022	2,022	2,779	1%	0%

Key ratios

	2Q20	1Q21 %	2Q21	Change	
				2Q21/2Q20	2Q21/1Q21
ROAE	14.4%	23.8%	25.0%	1065 bps	121 bps
Efficiency ratio	50.5%	55.4%	54.9%	443 bps	-46 bps
Net interest margin	3.0%	3.4%	2.9%	-8 bps	-46 bps
Risk index	3.5%	3.3%	3.2%	-32 bps	-16 bps
Coverage PDL	261%	277%	307%	4626 bps	2988 bps
PDL/Loans	1.4%	1.2%	1.0%	-35 bps	-17 bps
Tier 1 capital ratio	7.1%	8.4%	8.7%	155 bps	30 bps
BIS ratio	11.2%	13.1%	13.3%	207 bps	23 bps

Operational and coverage figures

	2Q20	1Q21	2Q21	Change	
				2Q21/2Q20	2Q21/1Q21
Employees	14,835	14,966	15,224	389	258
Branches	410	401	401	-9	0
ATMs	2,313	2,276	2,291	-22	15

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2Q21 Milestones

The world economy has continued on a path of recovery, but performance diverges strongly across countries. The recovery is driven by the progress in the vaccination programs and the effective sanitary containment measures, which lead to continue the gradual reopening of their markets, especially in develop countries. Many emerging economies are still lagging in their recovery, due to slower vaccination rates, public health policies, and a lower government support.

The Chilean economy is recovering faster than expected, supported by a strong fiscal policy and better adaptation to the pandemic, with a rapid COVID-19 vaccination program. The Chilean economy has outperformed expectations, fuelled, on one side, by the dynamism shown in private consumption due to the withdrawal of pension funds and massive fiscal transfers, in a context of more favorable conditions, and on the other hand, by the adaptation of companies to the sanitary constraints and its lower impact of the quarantines on activity. Inflation has performed as expected, with a headline inflation of 3.8% annually, driven by the evolution of the prices of goods and fuels, influenced by the oil price hikes and the low comparison base. The annual variation of core CPI remained slightly above 3% annually. Accordingly, the central scenario of the Central Bank considers that inflation will approach to 4% annually, with the headline going past this level in the short term. In 2022, inflation will began its process to converge to the target of 3%, while monetary stimulus start to reduce. This higher growth expectations and higher inflation data, will reduce the need for monetary impulse to support the economic recovery, and should moderate sooner than expected.

On April, the Ministry of Finance, announced that fiscal benefits for households and MSMEs have been extended during this year, including an extension of the Emergency Family Income, subsidies and tax benefits for MSMEs.

Labor market continues to improve but in a slower pace than the economic recovery, with a very heterogeneous recovery and differences in the impact of the pandemic across firm sizes, skill levels and gender.

Credit offer conditions are seen more flexible in the margin for households and maintain some degree of limitations for large companies, while mortgage loans remain neutral. Meanwhile, demand for consumer loans continues to decline, along with the increased fiscal stimulus over the last months.

Events affecting BancoEstado in 2Q21

In April, the Ministry of Finance announced sending a bill for a new capitalization up to US\$1,500 million to comply with Basel III requirements, to be received on or before December 2025. The initiative includes legal rework to let BancoEstado issuing “perpetual bonds” under the same conditions as other banks in the industry. The above sets up an additional source of financing to meet the capital established by the regulator, as established by Basel III. In addition, the project seeks to reduce capital deductions the regulator must make to BancoEstado due to deferred taxes on assets.

In June, the Ministry of Finance authorized BancoEstado to capitalize 50% of 2020 earnings.



FOGAPE Loans (*)

FOGAPE- Reactiva (As of June 27th, 2021)

FOGAPE-REACTIVA Loans - As of June 27, 2021								
	Application of loans				Loans performed			
	Operations		Amount		Operations		Amount	
	N°	%	CH\$ bn.	%	N°	%	CH\$ bn.	%
BancoEstado	128,488	66.9%	3,086	29.2%	80,016	64.7%	1,313	22.1%
Total System	192,147	100.0%	10,553	100.0%	123,732	100.0%	5,951	100.0%

This program is the continuation of the Fogape Covid Program, with less restrictions and more flexibility than the former program. This plan expand its benefits and uses, now they can be used for investment and payment of current debts, as well as working capital. It can be used until December 31, 2021.

More flexible interest rates allows companies in riskier sectors to access to credits guaranteed by Fogape.

The flows associated with FOGAPE Reactiva have remained dynamic this quarter, mainly focused on micro and small enterprises, and the main economic sectors were Trade and Services.

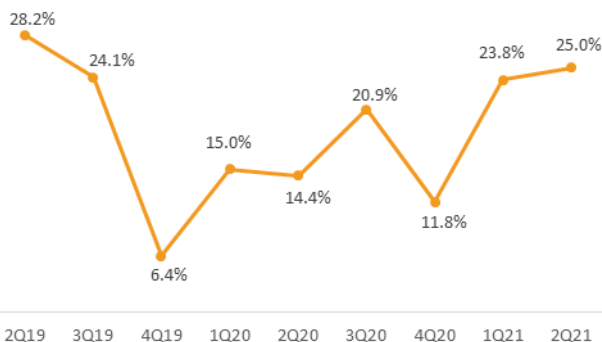
We remain as the first bank in this program, with a market share of 64.7% in terms of number of operations and a 22.1% in terms of amount in the financial system.



Summary of Results

BancoEstado Key Indexes

ROAE (%)

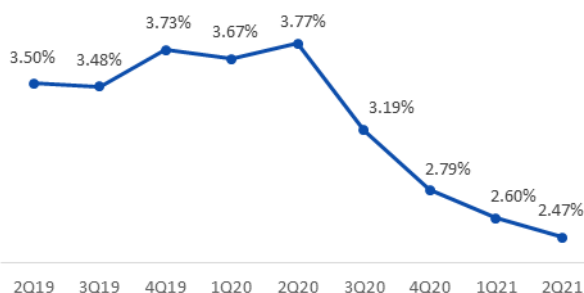


Source: BancoEstado.

Net income before taxes reached to Ch\$ 134.4 bn. (US\$ 350.1 million), an increase of 11.7% compared to the previous quarter, mainly due to both a decrease in provisions for loan losses and a decrease in our operating expenses.

ROAE was 25.0% in 2Q21, an increase of 12 bps from 1Q21 and 106 bps from the same quarter of the previous year.

Non-Performing Loans (%)



Source: BancoEstado.

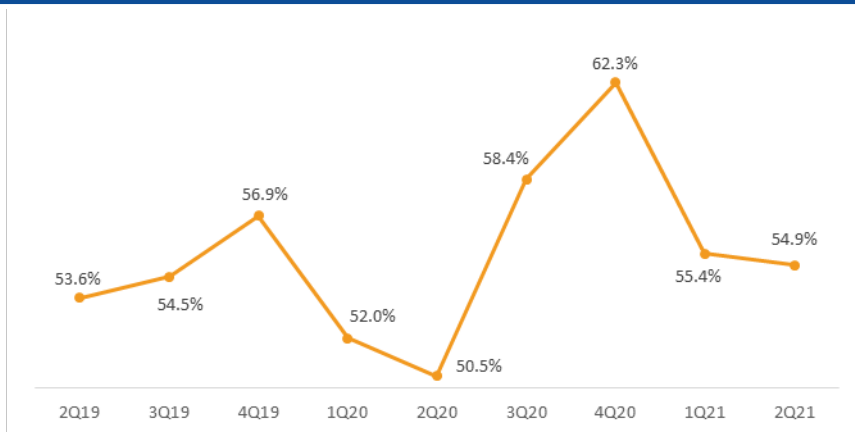
Non-performing loans decreased to 2.47% in 2Q21, from 2.60% this quarter and remains below average levels. A decrease of 103 bps YoY, and a quarterly decreased of 13 bps. These variations are mainly fostered by some temporary effects such as the withdrawal of pension savings, transfers made by the government and an excess of liquidity. We expect a normalization of these levels as the support measures from the government begin to expire.

BancoEstado's market share reached 14.3% of total loans as of June 2021.

BancoEstado credit cards and accounts increased in 2Q21. 36,518 new accounts this year and 51,710 new credits cards were opened. Sales for the quarter exceeded those achieved in the same period 2020.



Efficiency (%)



Source: BancoEstado.

The bank’s operational efficiency ratio reached 54.9% this quarter (a decreased of 50 bps QoQ), this improvement was driven mainly by a decrease in OpEx given the priority of the bank to keep expenses controlled and the lower amount of provisions for work incentives needed this quarter.

Credit Ratings

MOODY’S

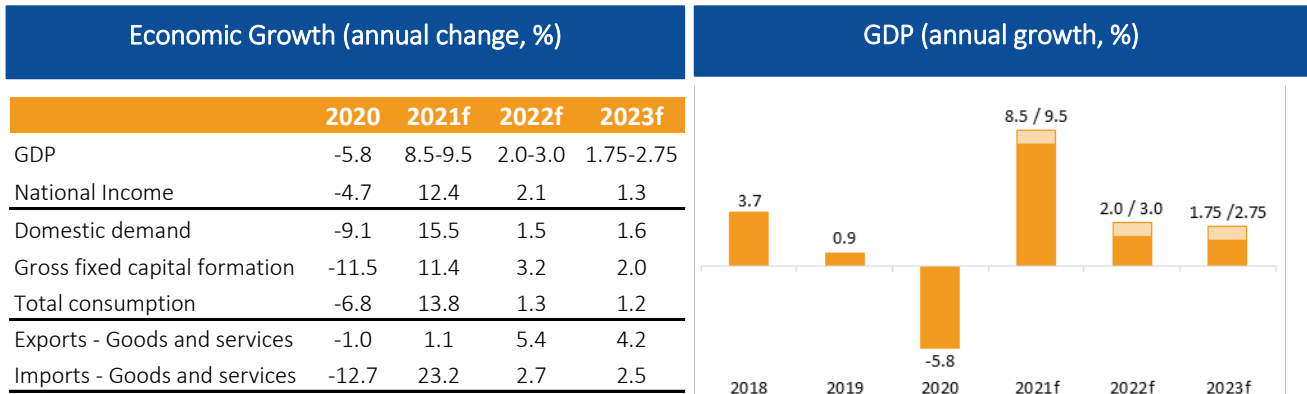
	Mar. 21
Long-Term	A1
Outlook	Negative
Short-Term	P-1

S&P Global Ratings

	Mar. 21
Long-Term	A
Outlook	Stable
Short-Term	A-1



I. Economic Environment



Source: Central Bank of Chile.

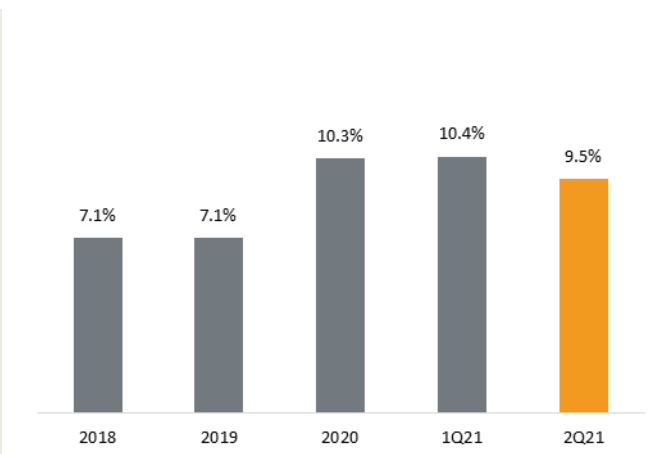
Source: Central Bank of Chile.

The Chilean economy is recovering faster than expected, raising the growth forecast for this year to a range of 8.5 and 9.5%, explained by several factors. On the one hand, boosted by the dynamism shown in private consumption due to the withdrawal of pension funds and massive fiscal transfers, in a context of more favorable conditions. On the other hand, by the adaptation to the sanitary constraints and its lower impact on activity, and by the approved reforms for fiscal expansion.

Unemployment rate (%)

In 2Q21, unemployment rate reached 9.5%. The labor market continues to improve slowly, but heterogeneously. Nevertheless, it is estimated that more than half of the jobs lost throughout the pandemic have been recovered.

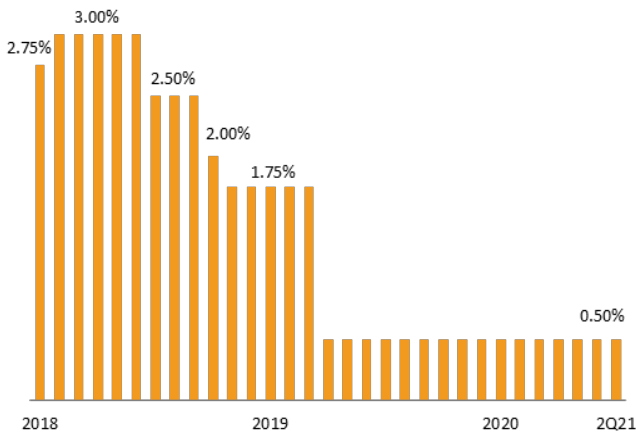
This improvement was mainly influenced by construction (40.2%), commerce (13.0%), and accommodation and food service (37.6%).



Source: Instituto Nacional de Estadística (INE).



Monetary policy rate (%)



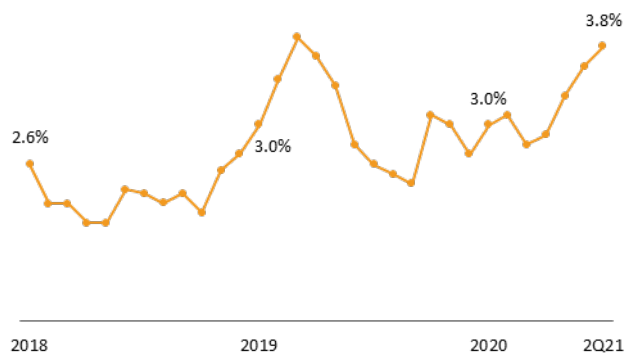
Source: Central Bank of Chile.

The Central Bank kept the policy rate at 0.5% in 2021. On July, the Central bank started reducing its monetary impulse, by raising the MPR by 25 basis points to 0.75%. It is expected that they will continue this trend, driven by the strong dynamism in consumption and private spending, accompanied by a high fiscal impulse. It should gradually moderate, accompanying the recovery of the economy and helping to avoid inflationary pressures. The Central Bank anticipates that the MPR will be below its neutral value throughout the two-year policy horizon.

The CPI in June reached a 3.8% annual increase (0.1% monthly). The annual variation of the CPI was driven by the evolution of the prices of goods and fuels, influenced by the oil price hikes and the low comparison base.

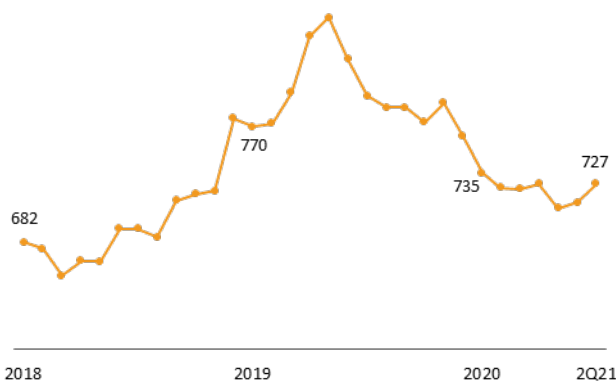
The central scenario of the Central Bank considers that inflation will approach to 4% annually. In 2022, inflation will began its process to converge to the target of 3%.

Inflation* (CPI annual %)



Source: INE

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



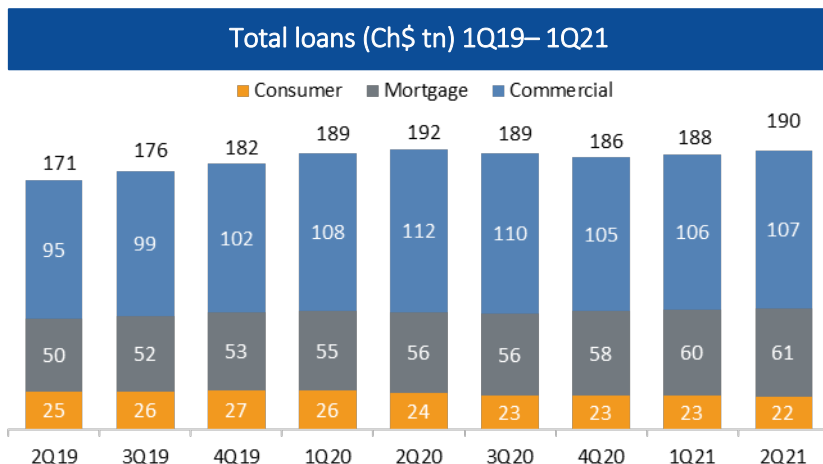
Source: Central Bank of Chile.

The Chilean peso has started to depreciate against the US dollar this quarter driven by the the political uncertainty of the forthcoming elections, the establishment of the Constitutional Convention and the potential pressure for international outflows. This has coincided with the recent drop in copper prices and the global strengthening of the US dollar.

*UF (*Unidad de Fomento*): this unit of account is indexed to the rate of variation of the consumer price index (CPI).



II. Banking Industry

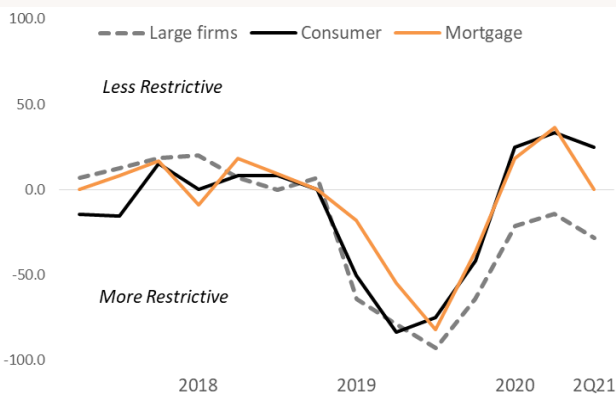


The Chilean banking system took in Ch\$ 190 trillion (US\$ 261 billion) in total loans (excluding subsidiaries abroad), showing an annual decrease of 4.0% (in real terms). This decrease was mainly caused by a drop of commercial and consumer loans, which decreased 7.5% YoY and 11.1% YoY respectively, and was partially offset by an increase in mortgage loans (5.1% YoY).

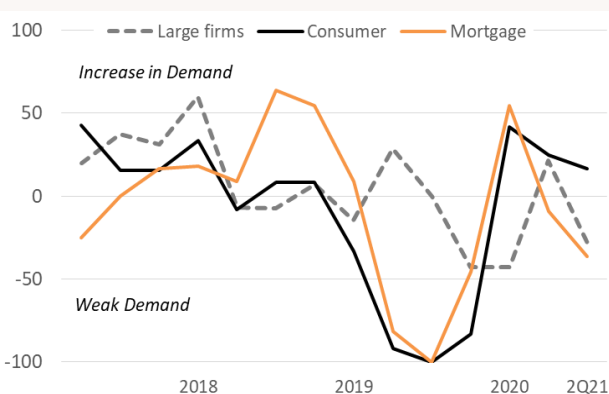
Consumer loans experienced an 11.1% YoY drop and a decrease of 1.9% QoQ, driven by the slower and still partial recovery in employment and the higher liquidity of individuals due to the withdrawal of pension funds and support measures from the government. Commercial loans decreased 7.5% YoY, mainly by the higher comparison base boosted the previous year to address the pandemic. Nevertheless, commercial loans remained dynamic in 2Q21 due to the Fogape-Reactiva program. The mortgage loan market increased 5.1% YoY (0.7% QoQ) in 2Q21.

Credit offer conditions are seen more flexible in the margin for households and maintain some degree of limitations for large companies, while mortgage loans remain neutral. Meanwhile, demand has been decreasing over the last months. On the one hand, some enterprises do not have the needs for new funding due to the reopening of the activity which has contributed to a better performance. On the other hand, some other companies already have a high financial burden and already are highly leveraged. Nevertheless, credit continues to flow for those enterprises that do request it.

Credit Supply 1Q18 – 2Q21



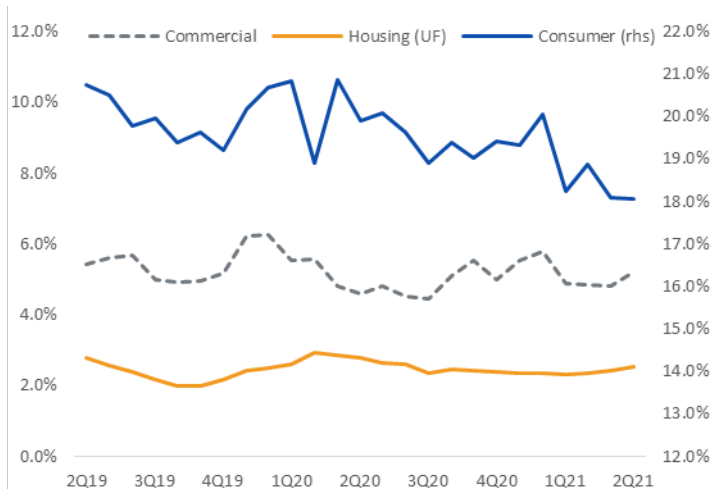
Credit Demand 1Q18 – 2Q21



Source: Central Bank of Chile



Interest rates (%) 1Q19 – 1Q21



Source: Central Bank of Chile

Interest rates has remained low, with a slightly increase the last month of this quarter in the commercial and housing segment. Consumer portfolio had a slightly decrease at the end of this quarter, caused by the central bank's announcement that it would maintain expansionary monetary stimulus for a period longer than originally expected; even though, interest rates are still relatively low compared to historic levels.

The average interest rates of the system fell in 2Q21 compared to the end of 2020, hand in hand with the strong monetary impulse. Thus, the interest rates on commercial loans averaged 5.2%, 21 bps lower than the rate observed at the end of 2020. Likewise, the average interest rate on consumer loans fell to 18.1%, reaching 136 bps below the close of 2020. Interest rates associated with mortgage loans averaged to 2.5% (2.4% in Dec 2020).

NPLs remained low, maintaining the good levels of 4Q20. These low levels are mainly fostered by some temporary effects such as the withdrawal of pension savings, transfers made by the government that improved payment capacity of individuals and MSMEs.

Banking System Results

Banking System Performance

Key ratios as of June 2021

The banking system reported a net income of Ch\$ 1,814.1 trillion (US\$ 2.49 billion) in 2Q21, an increase of 440% YoY, mainly due to a reduction of net provisions. Before-tax ROAE in 2Q21 was 15.4%.

	Index	Annual change
ROAE b.t	15.4%	502 bps
Efficiency	47.8%	-1102 bps
Risk	2.4%	-18 bps
NPLs/Loans	1.5%	-49 bps
Tier 1	10.7%	88 bps
BIS ratio	14.7%	128 bps

Source: Financial Market Commission (CMF)



III. BancoEstado Results

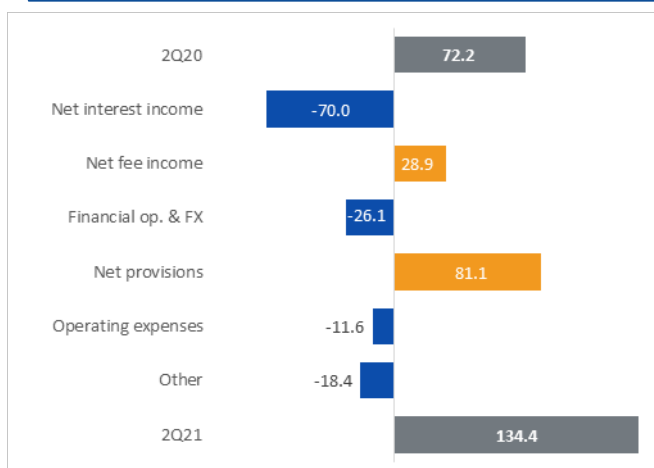
Analysis of the Quarterly Income Statement

Net income before taxes

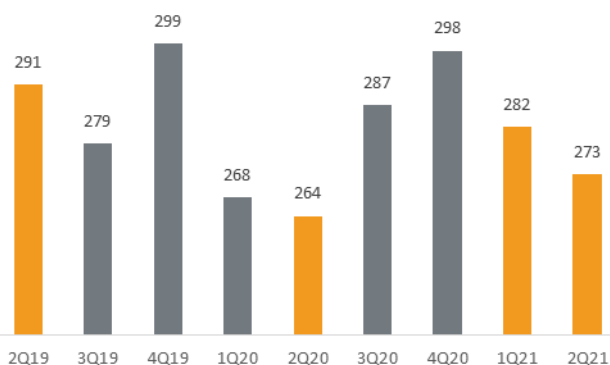
BancoEstado's net income before taxes increased to Ch\$ 134.4 bn in 2Q21, an increase of 11.7%, compared to 1Q21. In annual terms, net income before taxes increased 86.2%, mainly driven by an increase in net fee income due to higher volume of transactions in our digital channels, and a decrease in provision expense as asset quality continue to improve.

ROAE was 25.0% in 2Q21, an increase of 120 bps compared to 1Q21.

Net income b.t. development (Ch\$ bn) 2Q20 – 2Q21



Net interest income (Ch\$ bn)



Net interest income development

Net interest income decrease 3.5% QoQ, explained by a lower interest income driven by the lower interest rates and a lower net income from inflation adjustments.

Compared to 2Q20, net interest income increased 3.2% YoY, mainly due to an increase in demand and time deposits

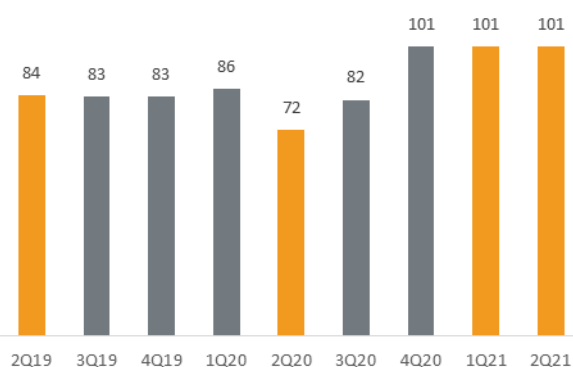
Net interest-earnings asset yield decreased 40 bps QoQ to 3.2%.

Net fee & commission income

Net fee income slightly increased 0.2% QoQ (40.3% YoY), mainly due to an increase in collection fees derived by a higher volume in transactions and payments, which was partially offset by an increase in account administration and card fees expenses.

A 40.3% YoY increased primarily driven by the exponential higher volume in transactions made in our digital channels boosted by the pandemic.

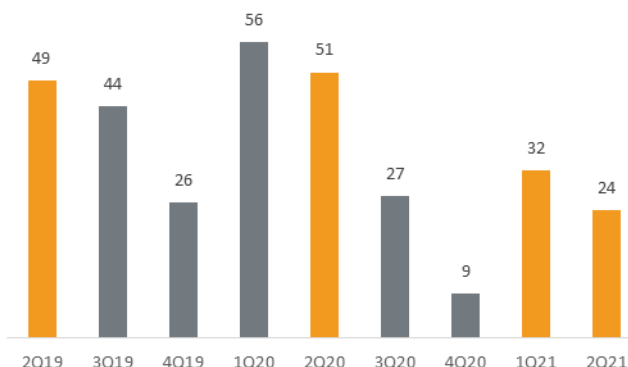
Net fee income (Ch\$ bn)





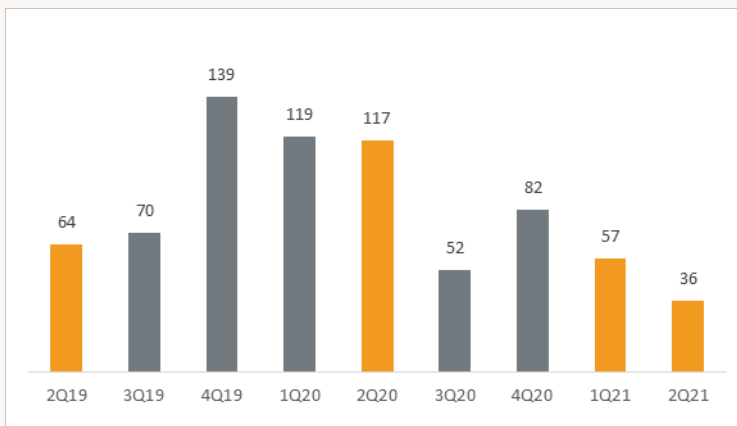
Net financial income (Ch\$ bn)

Net financial income



Our net financial income decreased 23.6% QoQ, mainly due to a decrease in net income from financial operations, attributable to a decrease in gains of our trading and available for sale portfolio. These results was mainly by the sharp fall in interest rates.

Net loan loss provisions (Ch\$ bn)



Net regulatory provisions & charge-offs amounted Ch\$24.4 bn, which represent a decrease of 24.7% QoQ (80.3% YoY). On the other hand, additional provisions decrease 54.0% QoQ (264.3% YoY). All in all, net provisions for loan losses totaled Ch\$37.9 bn, decreasing 37.5% QoQ and 69.3% YoY. This result is explained primarily by the lower amount of provisions made this quarter compared to the previous year, but also by an increase in loan loss recoveries. All in all, despite this lower amount set this quarter, and because of our conservative approach taken in 2020, our coverage ratio reached to 213.1% in 2Q21.

Non-performing loans/total loans reached 2.47% in 2Q21, a decrease of 13 bps QoQ and 130 bps. YoY. Our PDL/loans reached 1.03% in 2Q21, from 1.20% in the previous quarter.

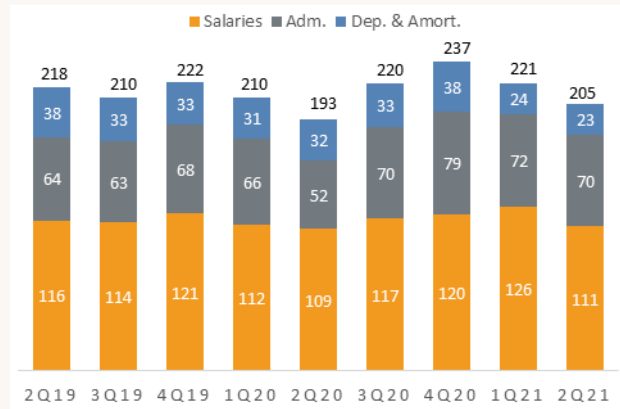


Operating expense

Operating expenses decreased 7.4% QoQ in 2Q21 and amounted Ch\$204.5 bn, due to a decrease in Personnel salaries and expenses explained by a fall in provisions since they were made in anticipation the previous quarter.

As a result, BancoEstado's operating efficiency ratio improved in 2Q21 to 54.9%, from 55.4% in 1Q21.

Total expenses (Ch\$ bn) 1Q19 – 1Q21



Other income & other expenses

Other net operating expenses amounted Ch\$22.0 bn, reflecting an increase of 38.0% QoQ (increased 393.1% from the previous year)

Income taxes increased 28.9% QoQ (76.0% YoY) reflecting an income tax rate of 49.3%.



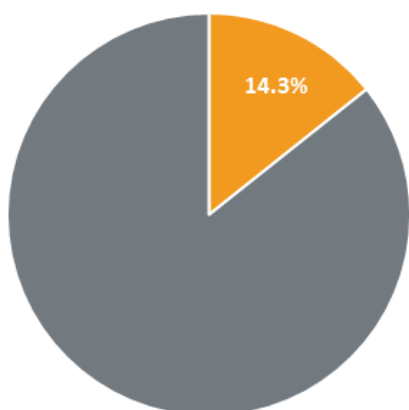
Statement of Financial Position

Total loans decreased 0.3% QoQ (4.4% YoY), maintaining our market share of 14.3%

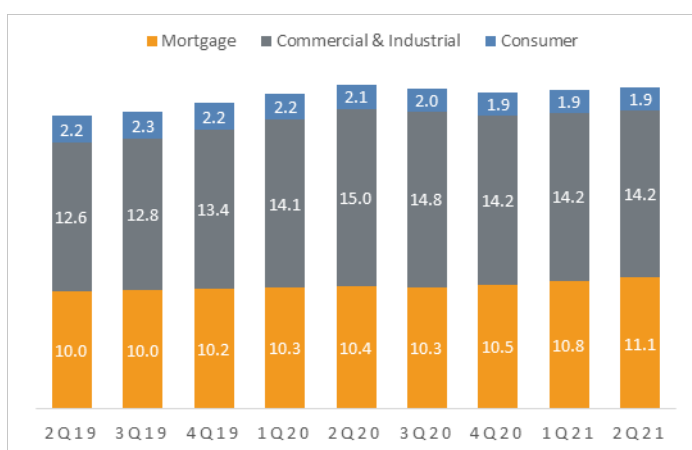
BancoEstado’s total loans decreased 0.3% QoQ and 4.4% YoY, mainly driven by a decrease in the consumer and commercial portfolio.

Commercial loans decreased 8.8% YoY, mainly by the higher comparison base boosted the previous year to address the pandemic. Consumer loans experienced a decrease of 11.2% YoY (3.2% QoQ), driven by the slower recovery in employment and the higher liquidity of individuals due to the withdrawals of pension funds and support measures from the government. The mortgage loan portfolio increased 3.4% YoY (1.2% QoQ) in 2Q21.

BancoEstado market share (%) as of Jun-21



Total loans (Ch\$ tn)



Financial investments

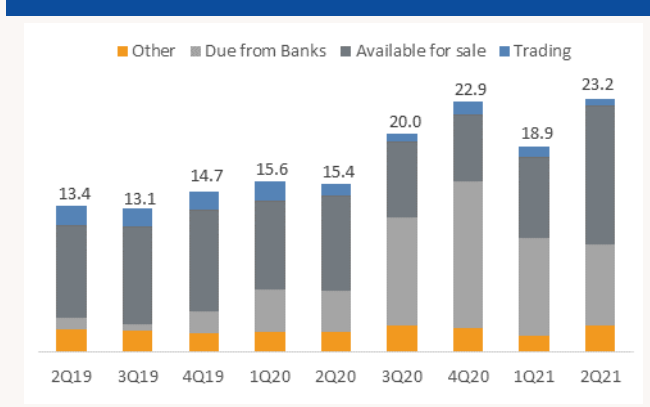
The financial investments portfolio increased 72.7% QoQ (20.8% YoY), mainly due to an increase in our Available for sale portfolio.

Liquidity

Liquid assets increased 24.8% QoQ (56.5% YoY) primarily due to an increase in financial investments, particularly an increase in our available for sale portfolio.

The bank's liquid assets represent 43.0% of total assets in 2Q21, an increase from 37.9% in the previous quarter.

Liquid assets (Ch\$ tn)



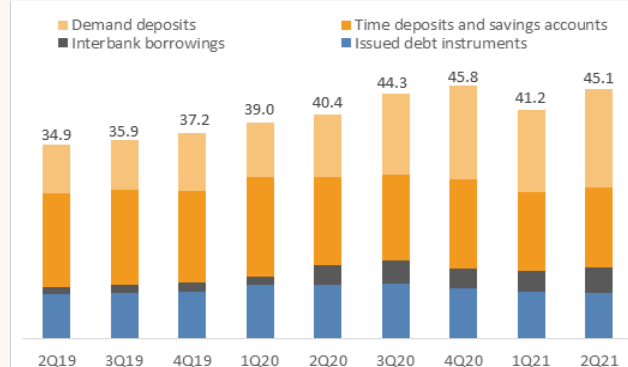


Funding

Total customer deposits increased 11.3% QoQ (19.2% YoY), mainly explained by the higher liquidity derived from the withdrawals of pension funds and the massive fiscal transfers to individuals and MSMEs.

BancoEstado’s funding through the issuance of debt instruments decreased 3.0% QoQ (15.0% YoY) mainly due to lending facilities deployed by the Central Bank of Chile. Interbank borrowings increased 22.2% QoQ.

Funding Liabilities (Ch\$ tn)

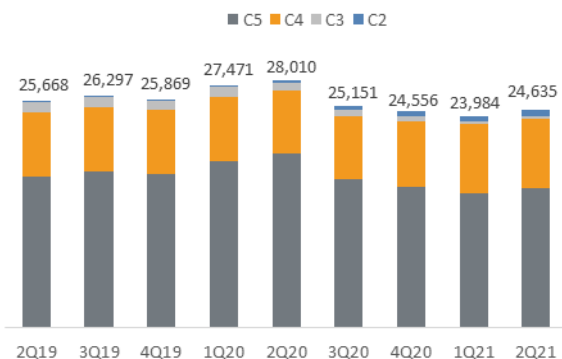


Regulatory Capital

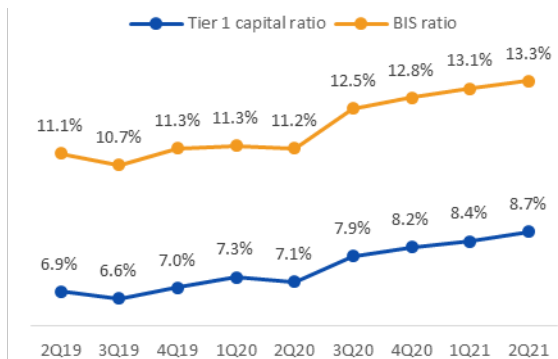
Capital adequacy (BIS ratio) reached 13.3% in 2Q21, an increase of 23 bps from 1Q21 and 207 bps YoY. Tier 1 ratio was 8.7%, an improvement of 30 bps from 1Q21. Risk-weighted assets show a decreased of 12.0% YoY (increased of 2.7% QoQ).

Since December 2020, the implementation process of Basel III began to operate. In this matter, BancoEstado expects the additional capitalization of US\$1500 million announced by the Ministry of Finance.

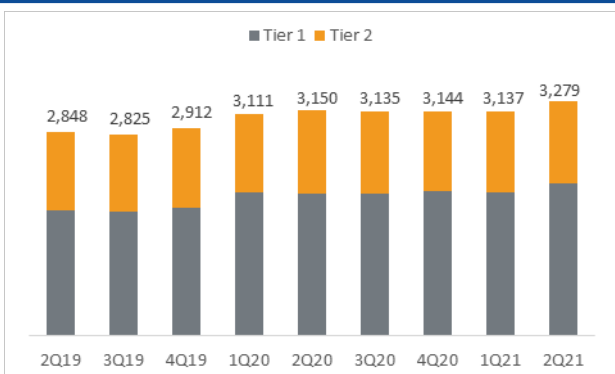
Risk-weighted assets (Ch\$ bn)



Tier I & BIS Ratio (%)



Regulatory capital (Ch\$ bn)



Total Equity (Ch\$ bn)





Tables

Table 1. Net interest income & margin

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Interest income	353.9	305.2	301.9	415	-14.7%	-1.1%
Interest expense	-114.3	-98.2	-97.3	-134	-14.9%	-0.9%
Net income from inflation adjustments	24.5	75.3	68.0	93	176.8%	-9.8%
Net interest income	264.1	282.3	272.5	374	3.2%	-3.5%
Average interest-earning assets	35,475.0	33,603.4	37,644.6	51,727	6.1%	12.0%
Average loans	26,951.1	26,756.7	26,972.6	37,062	0.1%	0.8%
Interest-earning asset yield	4.0%	3.6%	3.2%		-78 bps	-43 bps
Net interest margin (NIM)	3.0%	3.4%	2.9%		-8 bps	-46 bps
Avg. Equity & demand dep. / Avg. int-earn. assets	34.8%	52.6%	50.2%		1537 bps	-247 bps
Quarterly inflation rate	0.35%	1.11%	1.07%		72 bps	-4 bps
Central Bank reference rate (end of period)	0.50%	0.50%	0.50%		-	-
Avg.10-year Central Bank yield (real)	-0.13%	0.14%	1.22%		135 bps	108 bps

Table 2. Net fee and commission income

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Collection fees	28.2	28.8	31.4	43.1	11.2%	8.9%
Lines of credit	0.5	0.5	0.5	0.7	0.6%	2.7%
Accounts administration & card fees	29.1	54.9	49.7	68.3	70.6%	-9.5%
Insurance brokerage	7.3	7.8	7.9	10.9	8.7%	2.4%
Guarantees, pledges and other contingent operations	2.7	2.9	3.7	5.0	33.7%	26.9%
Fees from brokerage and custody of securities	0.1	2.8	3.9	5.4	2573.5%	39.6%
Other fees	3.8	2.9	3.7	5.0	-3.3%	27.4%
Total fees	71.9	100.6	100.8	138.6	40.3%	0.2%

Table 3. Net financial income

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Trading portfolio	19.2	-1.6	-7.0	-9.6	-136.4%	323.2%
Derivative contracts	-21.6	10.2	15.1	20.8	-169.9%	47.8%
Gain on portfolio available for sale	23.9	6.6	-5.1	-7.0	-121.3%	-177.1%
Other	8.7	7.1	17.6	24.2	103.4%	147.8%
Net income (expense) from financial op.	30.1	22.3	20.7	28.4	-31.4%	-7.2%
Exchange differences	104.9	58.7	-21.0	-28.8	-120.0%	-135.7%
Foreign currency indexing	-3.6	1.2	0.5	0.6	-113.1%	-60.5%
Net hedging income	-80.9	-50.2	24.3	33.3	-130.0%	-148.3%
Net foreign exchange gain/loss	20.4	9.7	3.8	5.2	-81.6%	-61.1%
Net results from financial transactions	50.6	32.0	24.4	33.6	-51.7%	-23.6%

Table 4. Provisions for loan losses

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Regulatory gross provisions & charge-offs	-140.1	-53.0	-48.6	-66.8	-65.3%	-8.3%
Loan loss recoveries	16.1	20.6	24.2	33.2	49.8%	17.4%
Net regulatory provisions & charge-offs	-124.0	-32.4	-24.4	-33.5	-80.3%	-24.7%
Additional provisions	7.0	-25.0	-11.5	-15.8	-264.3%	-54.0%
Net provisions for loan losses	-117.0	-57.4	-35.9	-49.3	-69.3%	-37.5%
Total loans	27,415	26,935	27,142	37,295.6	-1.0%	0.8%
Allowance for loan losses	-960	-900	-863	-1,185.7	-10.1%	-4.1%
Past due loans (PDL)	368	324	281	385.8	-23.6%	-13.5%
Non-performing loans/Loans	3.8%	2.6%	2.5%		-130 bps	-13 bps
Net provisions for loan losses/Loans	-1.81%	-0.48%	-0.36%		145 bps	12 bps
Cost of credit	-1.71%	-0.85%	-0.53%		118 bps	32 bps
PDL/Loans	1.38%	1.20%	1.03%		-35 bps	-17 bps
Coverage of PDL	261%	277%	307%		-	-
Risk Index	3.50%	3.34%	3.18%		-32 bps	-16 bps



Table 8. Financial investments

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Trading	1,133	1,050	610	838	-46.2%	-41.9%
Available for sale	7,538	6,290	12,075	16,592	60.2%	92.0%
Held to maturity	18	14	14	19	-21.0%	1.2%
Total Financial Investments	8,689	7,354	12,699	17,450	46.2%	72.7%

Table 9. Liquidity

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Financial Investments	8,689	7,354	12,699	17,450	46.2%	72.7%
Unsettled transactions	499	441	1,054	1,449	111.4%	138.9%
Investments under repurchase agreements	67	58	125	172	85.5%	116.2%
Due from Central Bank	3,828	9,000	7,491	10,294	95.7%	-16.8%
Due from Chilean banks	1	0	0	0	-40.5%	-22.9%
Due from foreign banks	1,198	981	1,186	1,630	-1.0%	20.9%
Cash	429	619	468	643	9.0%	-24.4%
Liquid assets	14,711	18,454	23,025	31,638	56.5%	24.8%
Liquid assets / Total assets	31.4%	37.9%	43.0%		1158 bps	506 bps

Table 10. Funding

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Demand deposits	11,249	14,881	17,887	24,579	59.0%	20.2%
Time deposits and savings accounts	15,888	14,190	14,467	19,879	-8.9%	2.0%
Total customer deposits	27,138	29,071	32,354	44,457	19.2%	11.3%
Interbank borrowings	3,547	3,673	4,489	6,169	26.6%	22.2%
Total customer funds	30,685	32,744	36,844	50,626	20.1%	12.5%
Issued debt instruments	9,706	8,501	8,250	11,336	-15.0%	-3.0%

Table 11. Owner's equity

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Capital	970	970	970	1,333	0.0%	0.0%
Reserves	1,070	1,076	1,149	1,579	7.4%	6.8%
Valuation accounts	-40	-34	-0	-0	-100.0%	-100.0%
Retained earnings	0	0	0	-	--	--
From previous periods	0	142	0	-	--	-100.0%
Net income for the period	79	66	132	181	67.0%	98.7%
Provision for distribution of profits to the State	-79	-208	-110	-151	39.2%	-47.3%
Non-controlling interests	8	10	8	10	-9.4%	-20.9%
Total equity	2,009	2,022	2,149	2,953	7.0%	6.3%
Equity attributable to main owners	2,000	2,012	2,141	2,942	7.0%	6.4%
ROAE	14.4%	23.8%	25.0%	-	1065 bps	121 bps

Table 12. Capital adequacy

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Tier 1	2,000	2,012	2,141	2,942	7.0%	6.4%
Tier 2	1,149	1,125	1,138	1,563	-1.0%	1.1%
Regulatory capital	3,150	3,137	3,279	4,506	4.1%	4.5%
Risk-weighted assets	28,010	23,984	24,635	33,851	-12.0%	2.7%
Tier 1 ratio	7.1%	8.4%	8.7%		155 bps	30 bps
BIS ratio	11.24%	13.08%	13.31%	-	207 bps	23 bps



IV. Annex

Quarterly Income Statements

	2Q20	1Q21	2Q21	2Q21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
Interest income	938.0	480.8	951.9	1,307.9	1.5%	98.0%
Interest expense	-406.0	-198.5	-397.0	-545.5	-2.2%	100.1%
Net interest income	532.0	282.3	554.8	762.4	4.3%	96.5%
Fees and commission income	260.3	157.3	323.7	444.8	24.4%	105.7%
Fees and commission expense	-102.3	-56.7	-122.3	-168.0	19.5%	115.6%
Net fee and commission income	157.9	100.6	201.4	276.8	27.5%	100.2%
Net gain/loss from financial operations	125.0	22.3	42.9	59.0	-65.6%	92.8%
Foreign exchange gain/loss net	-18.2	9.7	13.5	18.5	-174.0%	38.9%
Other operating revenue	11.5	5.8	11.0	15.1	-4.4%	90.0%
Total operating income	808.2	420.7	823.7	1,131.8	1.9%	95.8%
Provision for loan losses	-235.9	-57.4	-93.3	-128.2	-60.4%	62.5%
NET OPERATING PROFIT	572.3	363.3	730.4	1,003.6	27.6%	101.1%
Personnel salaries and expenses	-221.7	-125.8	-237.0	-325.7	6.9%	88.4%
Administrative expenses	-117.9	-71.5	-141.7	-194.7	20.1%	98.1%
Depreciation and amortization	-63.1	-23.6	-46.8	-64.3	-25.9%	98.0%
Impairment	0.0	0.0	0.0	0.0	--	--
Other operating expenses	-22.6	-21.8	-49.0	-67.4	117.3%	125.2%
TOTAL OPERATING EXPENSES	-425.3	-242.7	-474.5	-652.0	11.6%	95.5%
Net operating income	147.0	120.6	255.9	351.6	74.1%	112.2%
Income/loss from investments in other companies	0.7	-0.2	-1.1	-1.6	-253.4%	396.9%
INCOME BEFORE INCOME TAXES	147.8	120.4	254.8	350.1	72.4%	111.7%
Income taxes	-63.0	-51.5	-117.8	-161.9	86.9%	128.9%
NET INCOME FOR THE PERIOD	84.7	68.9	137.0	188.2	61.6%	98.8%
Net income attributable to equity holders	78.7	66.2	131.5	180.7	67.0%	98.7%
Net income attributable to non-controlling interest	6.0	2.7	5.5	7.5	-8.6%	102.3%



Financial Information

	Jun-20	Mar-21	Jun-21	Jun-21	Change	
	Ch\$ billion			US\$ million	2Q21/2Q20	2Q21/1Q21
ASSETS						
Cash and deposits in banks	5,456	10,600	9,146	12,567	67.6%	-13.7%
Unsettled transactions	499	441	1,054	1,449	111.4%	138.9%
Trading investments	1,133	1,050	610	838	-46.2%	-41.9%
Investments under repurchase agreements	67	58	125	172	85.5%	116.2%
Financial derivative contracts	2,194	1,208	1,175	1,614	-46.4%	-2.7%
Interbank loans	862	486	810	1,112	-6.0%	66.6%
Loans and accounts receivable from customers	26,455	26,035	26,279	36,110	-0.7%	0.9%
Available-for-sale investments	7,538	6,290	12,075	16,592	60.2%	92.0%
Held to maturity investments	18	14	14	19	-21.0%	1.2%
Investments in other companies	19	15	15	20	-21.1%	-2.7%
Intangibles	109	69	62	86	-42.9%	-9.6%
Property, plant and equipment	349	359	354	487	1.7%	-1.2%
Right-of-use assets	98	86	83	114	-15.7%	-4.0%
Current taxes	1	2	2	3	199.5%	36.2%
Deferred taxes	1,090	1,197	1,246	1,713	14.4%	4.1%
Other assets	964	754	522	717	-45.9%	-30.8%
TOTAL ASSETS	46,850	48,665	53,573	73,614	14.4%	10.1%
LIABILITIES						
Deposits and other demand liabilities	11,249	14,881	17,887	24,579	59.0%	20.2%
Unsettled transactions	450	1,473	1,819	2,500	304.2%	23.5%
Investments under repurchase agreements	586	700	1,549	2,129	164.5%	121.3%
Time deposits and other time liabilities	15,888	14,190	14,467	19,879	-8.9%	2.0%
Financial derivative contracts	1,828	1,298	1,063	1,461	-41.8%	-18.1%
Interbank borrowings	3,547	3,673	4,489	6,169	26.6%	22.2%
Issued debt instruments	9,706	8,501	8,250	11,336	-15.0%	-3.0%
Other financial liabilities	51	92	103	141	99.8%	10.9%
Lease obligations	85	74	71	98	-16.2%	-3.8%
Current taxes	118	288	192	263	62.9%	-33.5%
Deferred taxes	0	0	0	0	-54.0%	-77.3%
Provisions	762	962	900	1,237	18.1%	-6.4%
Other liabilities	571	510	634	871	10.9%	24.3%
TOTAL LIABILITIES	44,842	46,642	51,424	70,661	14.7%	10.3%
EQUITY						
Capital	970	970	970	1,333	0.0%	0.0%
Reserves	1,070	1,076	1,149	1,579	7.4%	6.8%
Valuation accounts	-40	-34	-0	-0	-100.0%	-100.0%
Retained earnings	0	0	0	-	--	--
From previous periods	0	142	0	-	--	-100.0%
Net income for the period	79	66	132	181	67.0%	98.7%
Provision for distribution of income to the State	-79	-208	-110	-151	39.2%	-47.3%
Total owners' equity	2,000	2,012	2,141	2,942	7.0%	6.4%
Non-controlling interests	8	10	8	10	-9.4%	-20.9%
TOTAL EQUITY	2,009	2,022	2,149	2,953	7.0%	6.3%
TOTAL LIABILITIES AND EQUITY	46,850	48,665	53,573	73,614	14.4%	10.1%