

Quarterly Financial Report

2Q22





BancoEstado Key Figures

Key figures of the quarterly income statement

	2Q21	1Q22		2Q22	2Q22	Change	
		Ch\$ billion				US\$ million	2Q22/2Q21
Net interest income	196.6	297.6	288.0	309.0	46.5%	-3.2%	
Net income from inflation adjustments	68.0	135.0	280.1	300.5	312.2%	107.5%	
Net fee and commission income	106.4	109.6	102.5	110.0	-3.7%	-6.4%	
Net interest, inflation adjustment & fee income	370.9	542.1	670.6	719.5	80.8%	23.7%	
Net financial income	26.4	59.5	32.1	34.5	21.7%	-46.0%	
Other operating & non op. income	-22.4	31.3	-15.7	-16.8	-29.9%	-150.2%	
Operating income	374.9	632.9	687.0	737.1	83.2%	8.6%	
Operating expense	-204.5	-241.9	-217.8	-233.6	6.5%	-10.0%	
Operating results (before credit losses)	170.4	391.0	469.3	503.5	175.4%	20.0%	
Credit loss expenses	-36.1	-84.3	-85.7	-91.9	137.6%	1.7%	
Net income before taxes	134.3	306.8	383.6	411.5	185.5%	25.0%	
Income tax	-66.3	-119.4	-168.2	-180.5	153.8%	40.8%	
Net income after taxes	68.1	187.3	215.4	231.1	216.5%	15.0%	
Non-controlling interests	2.8	4.1	4.2	4.5	52.8%	2.8%	
Net income attributable to equity holders	65.3	183.2	211.1	226.5	223.4%	15.2%	

Key figures of the balance sheet

	2Q21	1Q22		2Q22	2Q22	Change	
		Ch\$ billion				US\$ million	2Q22/2Q21
Total assets	53,549	57,671	55,064	59,077	2.8%	-4.5%	
Loans	27,142	28,278	29,538	31,690	8.8%	4.5%	
Liquid assets	23,009	24,707	19,129	20,522	-16.9%	-22.6%	
Total liabilities	51,404	55,462	52,647	56,484	2.4%	-5.1%	
Customer funds	36,844	36,211	36,598	39,265	-0.7%	1.1%	
Issued debt instruments	8,250	8,100	8,723	9,359	5.7%	7.7%	
Equity	2,146	2,209	2,417	2,593	12.7%	9.4%	

Key ratios

	2Q21	1Q22		2Q22	Change	
		%			2Q22/2Q21	2Q22/1Q22
ROAE before tax	25.0%	55.5%	63.5%	38 pp	8 pp	
ROAE after tax	12.7%	33.9%	35.6%	23 pp	2 pp	
Efficiency ratio	54.6%	38.2%	31.7%	-23 pp	-7 pp	
Net interest margin	2.8%	4.0%	5.4%	261 bp	137 bp	
Risk index	3.2%	3.2%	3.1%	-6 bp	-8 bp	
Coverage PDL	307.3%	422.1%	392.7%	85 pp	-29 pp	
PDL/Loans	1.0%	0.8%	0.8%	-24 bp	4 bp	
Tier 1 capital ratio	8.7%	8.7%	8.7%	-4 bp	-6 bp	
BIS ratio	13.3%	13.4%	13.1%	-25 bp	-36 bp	
Basel III		12.5%	12.5%		6 bp	

Operational and coverage figures

	2Q21	1Q22		2Q22	Change	
		#			2Q22/2Q21	2Q22/1Q22
Employees	15,224	15,336	15,167	-0.4%	-1.1%	
Branches	402	399	399	-0.7%	0.0%	
ATMs	2,323	2,336	2,344	0.9%	0.3%	

Rating Agencies

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



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Milestones

The uncertainty in global economic outlook continues to reflect pandemic-related effects and the geopolitical conflict in Europe. Inflation remains high and prices have increased around the world, leading to historic inflation levels. In this context, central banks have raised their benchmark rates, accelerating monetary normalization processes and weakening financial conditions.

The economy is expected to grow by 1.5%-2.25% in 2022. The Chilean economy slowed down in 2Q22 and GDP grew by 5.4% (vs. 7.4 in 1Q22). Investment has lost momentum with tighter financial conditions, while consumption has weakened as confidence becomes less optimistic. The unemployment rate was 7.8% in 2Q22.

The Central Bank increased the monetary policy rate, reaching 9.0% in June 2022.

Annual inflation and its outlook remain high. CPI rose 12.5% in June, reflecting mainly the increase in food and fuel prices. Core inflation reached 9.9% annually.

The Chilean peso depreciated 18.3% QoQ against the US dollar.

The 2Q22 bank lending survey indicated a net tightening of credit standards on commercial loans. Banks also reported more restrictions for consumer credit, while credit standards for housing loans remained stable. On the other hand, demand has diminished in the different segments.



Summary of Results

In 2Q22, pre-tax net income amounted to Ch\$ 383.6 bn (US\$ 411.5 million), increasing 25.0% QoQ, mainly due to an upsurge in net interest income, in line with higher rates and inflation adjustments.

ROE after taxes was 35.6% in 2Q22, increasing 23.0pp compared to 2Q21.

Non-performing loans reached 2.4% of total loans in 1Q22, increasing 23bp QoQ (-5bp YoY). This index is normalizing as the support measures begin to expire. Nevertheless, 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 in previous quarters.

BancoEstado's market share reached 13.6% of total loans as of June 2022.

Increasing efficiency has been a challenge for the bank. In fact, efficiency improved 23pp, from 54.6% in 2Q21 to 31.7% in 2Q22. 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.

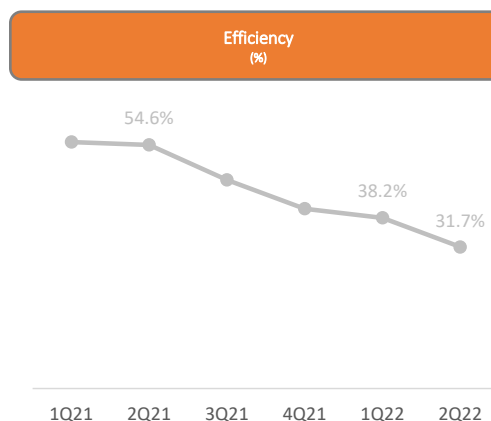
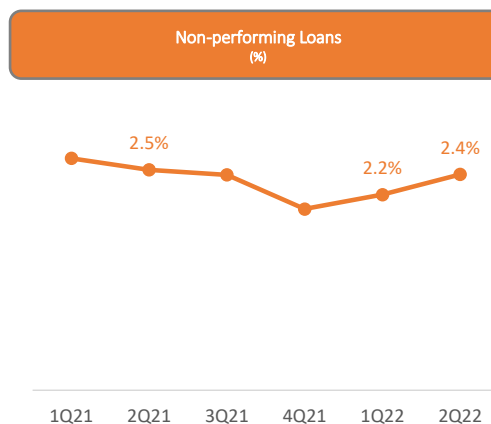
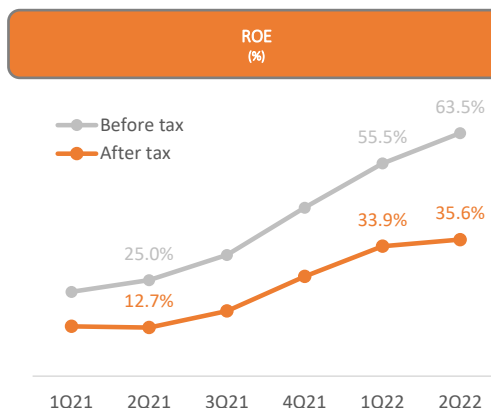
Credit Ratings



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 Environment

The Chilean economic activity has continued to fall at a gradual pace. GDP grew 5.4% in 2Q22, after reaching 7.4% in 1Q22 and 11.7% in the year 2021, the highest in decades.

The slowdown combines a downward trend in most economic sectors and a substantial drop in trade. Household consumption has slowed and investment has also lost momentum.

The economy is expected to grow between 1.5% and 2.25% in 2022.

In 2Q22, the unemployment rate was 7.8%

The labour market shows a 7.9% YoY increase in the labour-force, while employment has increased 9.9% YoY boosted mainly by self-employment.

In this context, the unemployment rate has stabilized at 7.8%, decreasing 1.7pp in twelve months. However, the expectations of businesses and consumers has become less optimistic and demand for labour has lost dynamism.

Monetary policy

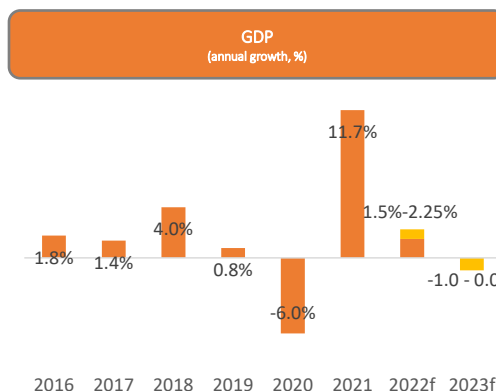
The Central Bank has reduced the monetary impulse. The monetary policy interest rate has increased significantly in a context of higher inflationary pressures.

The MPR was raised by 150bp in January and by additional 150bp in March, reaching 7.0%. Further adjustments (+125bp in May and 75bp in June) left the MPR at 9.0% in 2Q22.

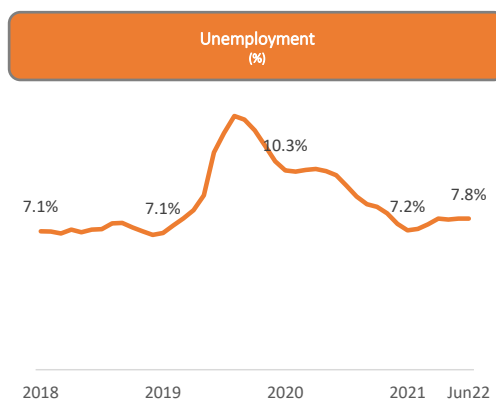
The market estimations suggest that this trend will continue, so that the MPR will exceed 10.0% at the end of the year.

Economic outlook (% annual change)				
	2021	2022f	2023f	2024f
GDP	11.7%	1.5%-2.25%	-1.0%/0.0%	2.25%-3.25%
Domestic demand	21.6%	1.4%	-3.4%	2.5%
Gross fixed capital form	17.6%	-4.8%	-2.2%	3.0%
Consumption	18.2%	2.8%	-3.7%	2.4%
Exports	-1.5%	1.3%	5.7%	3.0%
Imports	31.3%	0.0%	-3.0%	2.3%

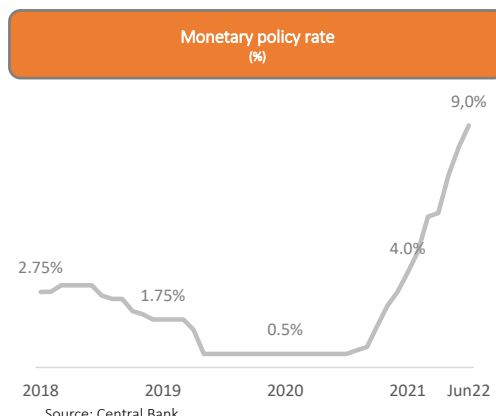
Source: Central Bank



Source: Central Bank



Source: Central Bank



Source: Central Bank



Inflation

In June 2022, the CPI rose 12.5% compared to the same month last year. Annual inflation has continued to escalate driven mainly by the increase in food and fuel prices, reaching its highest level in decades. Furthermore, core inflation (which excludes volatile items) has continued an upward trend, reaching 9.9% annually.

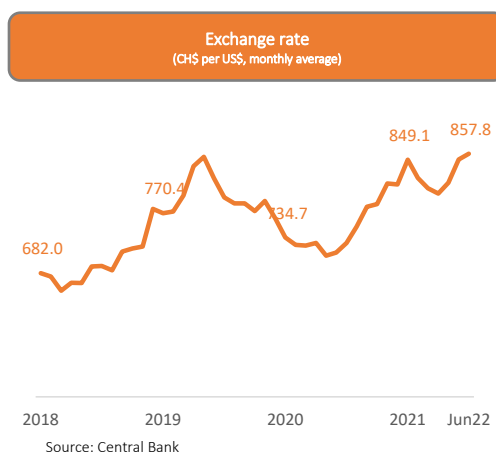
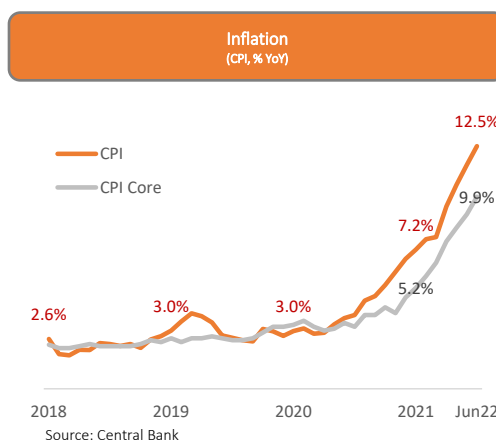
The impulse towards the increase in domestic demand last year and the depreciation of the peso have also led to higher prices. Additionally, external cost pressures and persistent difficulties in global production and supply chains have introduced an adverse factor into the economic scenario, with a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

Annual inflation expectations and its outlook remain high. In fact, private expectations are that inflation will remain above the target of 3.0% for the two-year horizon.

Exchange rate

The Chilean peso depreciated against the US dollar in 2Q22 and the exchange rate presented an increase in its volatility.

The peso/dollar parity depreciated 18.3% QoQ, reflecting the strengthening of the dollar compared to emerging economies, in a context of a slight rebound in the local stock market and lower copper prices. Uncertainty regarding the political and economic scenario is also affecting the local currency.





II. Banking Industry

Total loans amounted to Ch\$ 218 trillion

Total loans in the Chilean banking system amounted to Ch\$ 218 trillion (US\$ 234 billion), reaching an annual growth of 14.1% (5.3% QoQ) (excluding subsidiaries abroad). It is worth noting that inflation (UF measure, this Unit of Account is indexed to the rate of variation of the CPI) increased by 11.4% YoY (and 4.3% QoQ).

The domestic market for loans is weakening due to more restrictive conditions and the increase in long-term interest rates. In twelve months, loans growth was determined by consumer and housing loans, which increased by 18.0% and 14.6%, respectively; it should be pointed out that mortgage loans were positively induced by the inflation rate, which influenced the volume of loans primarily denominated in UF. On the other hand, commercial loans increased by 13.0% YoY.

Close to the inflation recorded for the quarter, the increases in mortgage and consumer loans were 4.4% QoQ and 4.1% QoQ, respectively; while, commercial loans increased by 6.1% QoQ, revealing the economic slowdown and uncertainty about the local and international economic and political outlook.

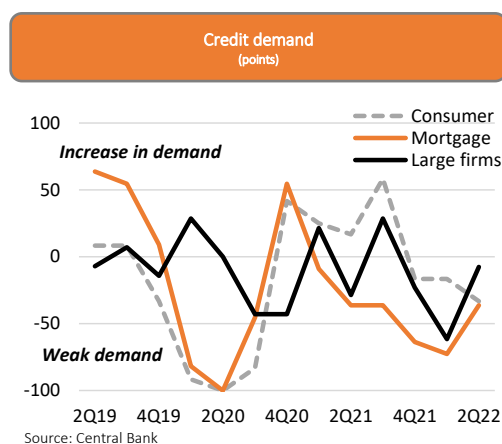
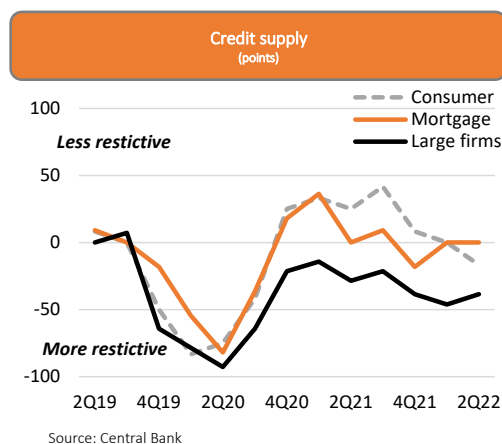
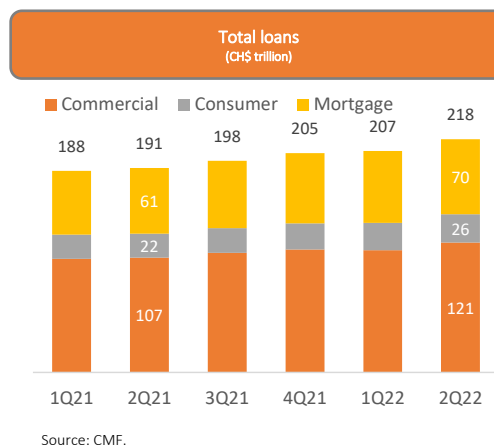
Banking Credit Survey

In the 2Q22 bank lending survey, banks indicated a net tightening of credit standards on commercial loans. In fact, the credit supply is perceived to have tightened for SME and large firms due mainly to high uncertainty and the impact from the general economic and firm specific outlook on credit standards.

Banks also reported more restrictions for consumer credit. The decline in consumer loans supply was driven by increased risk perceptions. On the other hand, credit standards for housing loans remained stable in the quarter.

Loan demand from households and businesses decreased in 2Q22. Decreased financing needs of SME's for working capital and fewer fixed investments in the case of large firms had a negative impact on loan demand.

Furthermore, net loan demand from households weakened both for housing loans and for consumer credit. The decrease in demand was mainly driven by the overview of a less favourable employment and income setting.





Interest rates

Benchmark interest rates have increased in response to the changing outlook for inflation and monetary policy. In fact, in June inflation was 12.5% (higher than expected) and the monetary policy rate was raised to 9.0%.

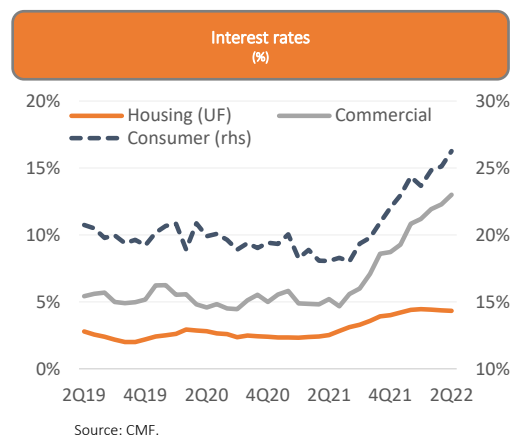
In this context, bank funding costs have increased, leading to higher lending rates. In June, the interest rates on commercial loans averaged 13.0%, 180bp over the rate observed in 1Q22 (and +600bp regarding 2Q21).

Bank lending rates for households have also reflected tightening credit standards. The average interest rate on consumer loans increased to 26.3%, +5.6pp higher than the 2Q21 (+261bp over 1Q22). Interest rates associated with mortgage loans averaged 4.3% (2.5% in June 2021).

Banking System Results

As of June 2022, the banking system reported a net income of Ch\$ 3,009 billion (US\$ 3.2 billion), up \$1,195 billion (US\$ 1.3 billion) or 65.9% from the first semester 2021. Augmented profits mainly reflect higher income from inflation adjustments and higher interest rates.

After-tax ROE reported a rise from 16.0% in June 2021 to 23.4% in June 2022.



	Index	Annual change
ROE before tax	28.8%	8.0 pp
ROE after tax	23.4%	7.4 pp
Efficiency	38.6%	-9.2 pp
NPL	1.4%	-13 bp
Tier1*	10.9%	-
BIS*	15.3%	-

(*) March 2022. Source: CMF.



III. BancoEstado Results

Quarterly Income Statement

Net income

In 2Q22, BancoEstado's net income after taxes increased to Ch\$ 215.4 bn (US\$ 231.1 million), an increase of 15.0% QoQ.

Net income increased 216.3% driven mainly by the increase in net interest income associated with higher interest rates and inflation adjustments.

In 2Q22, ROE after taxes reached 35.6% (vs. 33.9% in 1Q22), an increase of 23pp compared to 2Q21. ROAE before taxes was 63.5%.

Net income from interest and inflation adjustment

Net interest income stabilized in the quarter (-3.2% QoQ); nevertheless, it increased 46.5% YoY reflecting the higher interest rates in the market. In addition, the net income from inflation adjustments increased 107.5% QoQ.

Compared to 2Q21, net interest income and net income from inflation adjustment increased 114.8% YoY. In this context, net interest-earning asset yield increased 148bp QoQ, to 6.3%.

Net fee & commission income

Net fee income decreased -3.7% QoQ (-6.4% YoY), reflecting the higher volume of transactions and payments made in 2021.

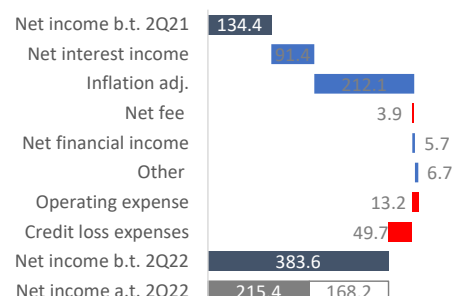
Net financial income

Net financial income increased 21.7% YoY (-46.0% QoQ).

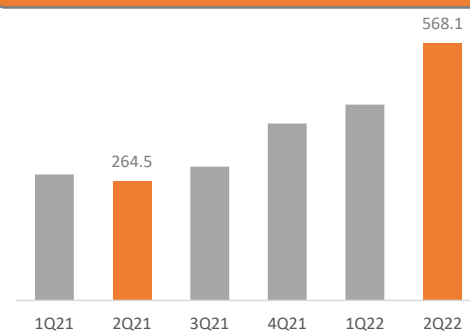
Operating expenses

In spite of expenditures indexed to inflation variations, operating expenses increased by just 6.5% YoY (-10.0% QoQ) and amounted to Ch\$217.8 bn in 2Q22. As a result, BancoEstado's operating efficiency ratio improved to 31.7%, from 54.6% in 2Q21.

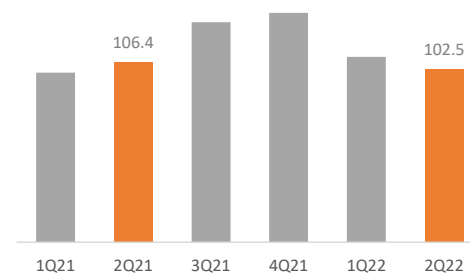
Net income development
2021-2022 (Ch\$ billion)



Net income from interest and inflation adjustments
1Q21-2022 (Ch\$ billion)



Net fees
1Q21-2022 (Ch\$ billion)





Credit loss expenses

Credit loss expenses totalled Ch\$ 85.7 bn (137.6% YoY and 1.7% QoQ).

Regulatory gross provisions and charge-offs amounted to Ch\$81.0 bn in 2Q22, representing an annual increase of Ch\$39.1 bn. On the other hand, loan loss recoveries decreased -17.0% YoY and totalled Ch\$20.1 bn. In this quarter, the bank made special provisions for credit risk of Ch\$40.3 bn.

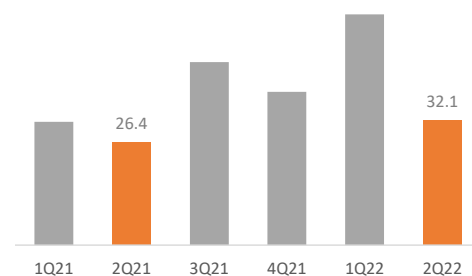
Overall, our coverage ratio reached 393% and non-performing loans stayed at 2.4% of total loans, increasing 23bp QoQ (-5bp YoY). PDL/loans remained at 0.8%.

Other income & expenses

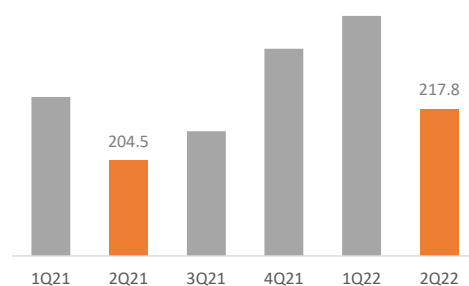
Other net operating income and expenses amounted to Ch\$-15.7 bn, decreasing -150.2% QoQ (-29.9% YoY).

Income taxes amounted to Ch\$ 168.2 bn, reflecting an income tax rate of 43.8% in 2Q22.

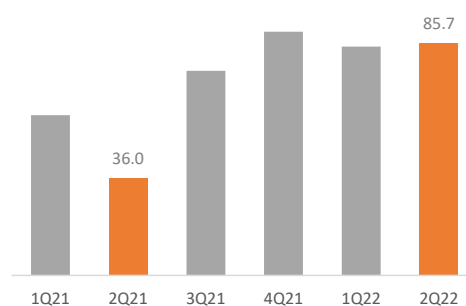
Net financial income
1Q21-2Q22 (Ch\$ billion)



Operating expenses
1Q21-2Q22 (Ch\$ billion)



Credit loss expenses
1Q21-2Q22 (Ch\$ billion)





Statement of Financial Position

Total loans increased 8.8% YoY

Total loans increased 8.8% YoY, with a market share of 13.6%.

In the quarter, BancoEstado's total loans increased by 4.5%. The increase in **the** commercial portfolio was offset by a less dynamic growth in credit to individuals.

In fact, commercial loans increased 5.2% QoQ (7.7% YoY), driven by corporate loans. On the other hand, consumer loans increased 2.3% QoQ (8.9% YoY) and the mortgage loan portfolio increased 3.9% QoQ (10.2% YoY), both below the surge in inflation.

Financial investments

Financial investments registered an upturn from Ch\$12.7 bn in 2Q21 to Ch\$15.1 bn (18.7% YoY). In the quarter, financial assets increased by 20.5%, reflecting mainly adjustments in financial debt instruments.

Liquidity

Liquid assets decreased -22.6% QoQ (-16.9% YoY), primarily due to a reduction in deposits from the Central Bank, partially offset by the increase in financial investments.

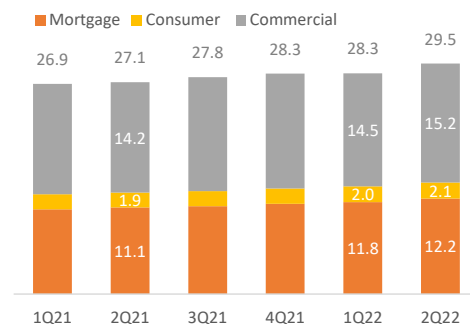
The bank's liquid assets represent 34.7% of total assets in 2Q22 (42.8% in the previous quarter).

Funding

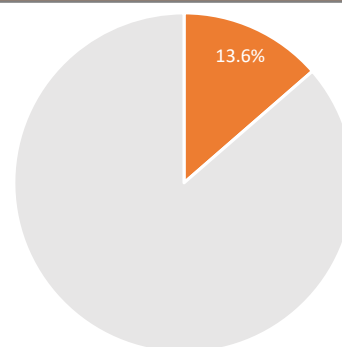
In recent months, the funding structure of BancoEstado has remained relatively stable. Total customer funds amounted to Ch\$36.6 bn (1.1% QoQ and -0.7% YoY), while issued debt and regulatory capital instruments amounted to Ch\$8.7 bn.

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.

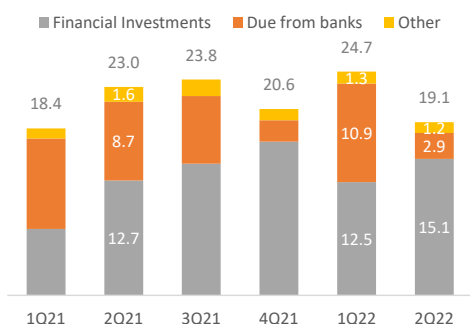
Total loans (Ch\$ trillion)



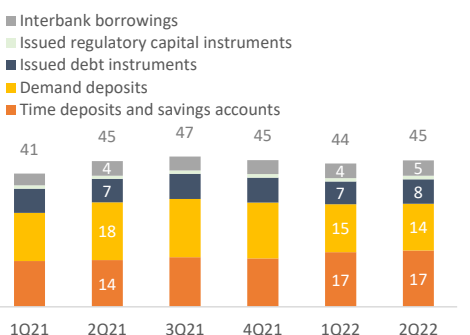
BancoEstado market share (% of total loans)



Liquidity assets (Ch\$ trillion)



Funding liabilities (Ch\$ trillion)



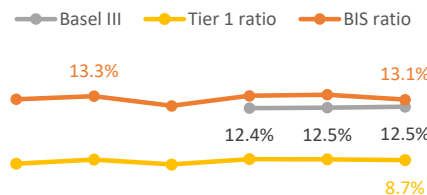


Regulatory Capital

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\$27.8 trillion and the Basel III ratio reached to 12.5%.

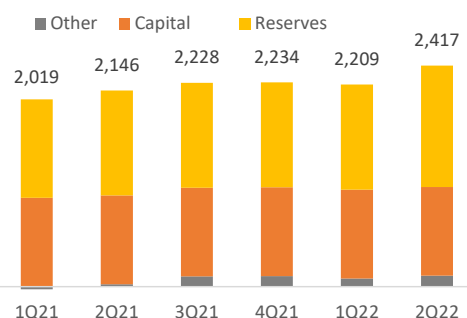
In 2022, BancoEstado expects the additional capitalisation of US\$ 500 million, out of US\$1,500 million approved by the Ministry of Finance to be capitalized in or before December 2025.

Tier I and BIS Ratio (%)



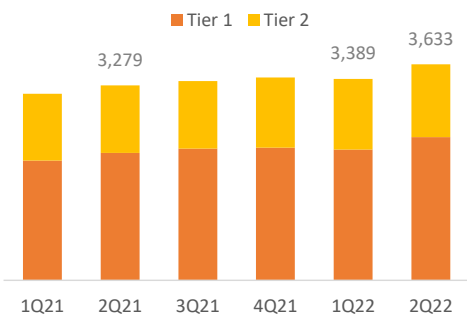
1Q21 2Q21 3Q21 4Q21 1Q22 2Q22

Equity (Ch\$ trillion)



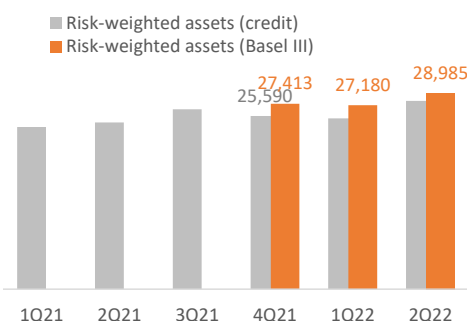
1Q21 2Q21 3Q21 4Q21 1Q22 2Q22

Regulatory capital (Ch\$ trillion)



1Q21 2Q21 3Q21 4Q21 1Q22 2Q22

Risk-weighted assets (Ch\$ trillion)



1Q21 2Q21 3Q21 4Q21 1Q22 2Q22



Tables

Table 1. Net interest income & margin

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Interest income	297.6	516.8	661.8	710.1	122.4%	28.1%
Interest expense	-101.0	-219.2	-373.8	-401.0	270.1%	70.5%
Net income from inflation adjustments	68.0	135.0	280.1	300.5	312.2%	107.5%
Net interest income	264.5	432.6	568.1	609.5	114.8%	31.3%
Average interest-earning assets	37,644.6	42,790.2	41,951.2	45,008.2	11.4%	-2.0%
Average loans	26,972.6	28,303.2	28,833.5	30,934.6	6.9%	1.9%
Interest-earning asset yield	3.2%	4.8%	6.3%		315 bp	148 bp
Net interest margin (NIM)	2.8%	4.0%	5.4%		261 bp	137 bp
Quarterly inflation rate	1.1%	2.4%	4.2%		315 bp	186 bp
Central Bank reference rate (end of period)	0.5%	7.0%	9.0%		850 bp	200 bp
Avg.10-year Central Bank yield (real)	1.22%	1.93%	1.93%		71 bp	bp

Table 2. Net fee and commission income

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Collection fees	31.4	28.6	30.3	32.5	-3.5%	5.9%
Lines of credit	0.5	0.6	0.6	0.6	6.9%	-0.1%
Accounts administration & card fees	53.8	52.5	50.1	53.7	-7.0%	-4.7%
Insurance brokerage	8.0	9.7	9.6	10.3	21.2%	-0.7%
Guarantees, pledges and other contingent operations	3.7	4.3	3.7	3.9	-0.5%	-15.8%
Fees from brokerage and custody of securities	-3.2	-0.6	-1.6	-1.7	-51.4%	178.1%
Pre-payment fees	5.6	4.7	3.3	3.5	-41.6%	-30.3%
Other fees	6.6	9.7	6.5	7.0	-1.0%	-32.3%
Total fees	106.4	109.6	102.5	110.0	-3.7%	-6.4%

Table 3. Net financial income

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Assets for trading at fair value	-4.9	12.1	10.3	11.0	-308.0%	-14.8%
Derivative contracts	15.1	136.7	-111.5	-119.6	-837.8%	-181.6%
Assets at fair value with changes in other income	-5.1	9.1	-6.3	-6.8	24.8%	-169.5%
Other	16.0	6.0	8.2	8.8	-48.7%	35.9%
Net income (expense) from financial op.	21.0	163.9	-99.4	-106.6	-572.1%	-160.6%
Exchange differences	-20.9	120.4	-211.5	-226.9	909.7%	-275.7%
Foreign currency indexing	2.0	-3.2	18.1	19.4	786.1%	-669.8%
Net hedging income	24.3	-221.6	324.9	348.6	1239.5%	-246.6%
Net foreign exchange gain/loss	5.3	-104.5	131.5	141.1	2358.1%	-225.9%
Net results from financial transactions	26.4	59.5	32.1	34.5	21.7%	-46.0%



Table 4. Credit loss expenses

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Regulatory gross provisions & charge-offs	-42.0	-85.0	-81.0	-86.9	93.1%	-4.6%
Loan loss recoveries	24.2	20.7	20.1	21.5	-17.0%	-2.8%
Net regulatory provisions & charge-offs	-17.8	-64.3	-61.0	-65.4	243.0%	-5.2%
Expense for special provisions for credit risk	-18.2	0.3	-40.3	-43.2	121.2%	-12164.0%
Impairment for credit risk	-0.1	-20.3	15.5	16.7		
Credit loss expense	-36.1	-84.3	-85.7	-91.9	137.6%	1.7%
Total loans	27,142.3	28,277.5	29,538.0	31,690	8.8%	4.5%
Allowance for loan losses	-863	-904	-920	-987	6.6%	1.8%
Past due loans (PDL)	281	214	234	251	-16.6%	9.4%
Non-performing loans/Loans	2.5%	2.2%	2.4%		-5 bp	23 bp
Net provisions for loan losses/Loans	0.3%	0.9%	0.8%		56 bp	-8 bp
Credit loss expenses ratio	0.5%	1.2%	1.2%		63 bp	-3 bp
PDL/Loans	1.0%	0.8%	0.8%		-24 bp	4 bp
Coverage of PDL	307.3%	422.1%	392.7%		85 pp	-29 pp
Risk Index	3.2%	3.2%	3.1%		-6 bp	-8 bp

Table 5. Operating Expenses

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Expenses for employee benefits obligations	-111.2	-133.6	-128.0	-137.3	15.1%	-4.2%
Administrative expenses	-70.2	-88.7	-71.2	-76.4	1.4%	-19.8%
Depreciation and amortization	-23.1	-19.5	-18.6	-20.0	-19.6%	-4.7%
Impairment	0.0	0.0	0.0	0.0		
Operating expenses	-204.5	-241.9	-217.8	-233.6	6.5%	-10.0%
Efficiency ratio	54.6%	38.2%	31.7%		-23 pp	-7 pp

Table 6. Other income and expenses

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Other operating income	2.8	44.1	1.3	1.4	-53.6%	-97.1%
Other operating expense	-24.3	-13.8	-18.5	-19.9	-23.9%	33.9%
Other operating income (expense), net	-21.6	30.3	-17.2	-18.5	-20.1%	-156.9%
Income attributable to investments in other companies	-0.8	0.8	1.4	1.5	-269.9%	74.7%
Income taxes	-66.3	-119.4	-168.2	-180.5	153.8%	40.8%
Income tax rate	49.3%	38.9%	43.8%		-5.5 pp	4.9 pp

Table 7. Total loans

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Commercial & industrial loans	14,157	14,488	15,249	16,360	7.7%	5.2%
SME	3,471	3,651	3,679	3,947	6.0%	0.8%
Corporate and large enterprises	10,686	10,837	11,570	12,413	8.3%	6.8%
Consumer loans	1,900	2,023	2,069	2,220	8.9%	2.3%
Installments	1,602	1,650	1,660	1,781	3.6%	0.6%
Credit cards & current account overdraft	298	373	409	439	37.3%	9.7%
Mortgage loans	11,085	11,766	12,220	13,111	10.2%	3.9%
Total loans	27,142	28,278	29,538	31,690	8.8%	4.5%


Table 8. Financial investments

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
For trading at fair value	551	565	875	938	58.8%	54.7%
At fair value	12,066	11,897	10,699	11,478	-11.3%	-10.1%
At amortized cost	67	35	3,483	3,737	5093.6%	9957.3%
Total Financial Investments	12,684	12,497	15,056	16,153	18.7%	20.5%

Table 9. Liquidity

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Financial Investments	12,684	12,497	15,056	16,153	18.7%	20.5%
Unsettled transactions	1,054	716	599	642	-43.2%	-16.3%
Investments under repurchase agreements	125	45	13	14	-89.4%	-70.8%
Due from Central Bank	7,491	9,839	1,451	1,556	-80.6%	-85.3%
Due from Chilean banks	0	4	0	0	-9.4%	-91.9%
Due from foreign banks	1,186	1,052	1,422	1,526	19.9%	35.2%
Cash	468	555	587	630	25.4%	5.8%
Liquid assets	23,009	24,707	19,129	20,522	-16.9%	-22.6%
Liquid assets / Total assets	43.0%	42.8%	34.7%		-8.2 pp	-8.1 pp

Table 10. Funding

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Demand deposits	17,887	14,835	14,403	15,452	-19.5%	-2.9%
Time deposits and savings accounts	14,467	16,908	17,461	18,733	20.7%	3.3%
Total customer deposits	32,354	31,743	31,864	34,186	-1.5%	0.4%
Interbank borrowings	4,489	4,468	4,735	5,080	5.5%	6.0%
Total customer funds	36,844	36,211	36,598	39,265	-0.7%	1.1%
Issued debt instruments	7,221	7,010	7,589	8,142	5.1%	8.3%
Issued regulatory capital instruments	1,029	1,090	1,134	1,217	10.3%	4.1%

Table 11. Owner's equity

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Capital	970	970	970	1,041	0.0%	0.0%
Reserves	1,149	1,150	1,329	1,425	15.6%	15.5%
Other	26	89	118	127	348.1%	32.9%
Total equity	2,146	2,209	2,417	2,593	12.7%	9.4%
Equity attributable to main owners	2,138	2,201	2,407	2,583	12.6%	9.4%
ROE b.t.	25.0%	55.5%	63.5%		38.4 pp	7.9 pp

Table 12. Capital adequacy

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Tier 1	2,141	2,201	2,407	2,583	12.4%	9.4%
Tier 2	1,138	1,189	1,226	1,315	7.8%	3.1%
Regulatory capital	3,279	3,389	3,633	3,898	10.8%	7.2%
Risk-weighted assets (credit)	24,635	25,264	27,820	29,848	12.9%	10.1%
Tier 1 ratio	8.7%	8.7%	8.7%		-4 bp	-6 bp
BIS ratio	13.3%	13.4%	13.1%		-25 bp	-36 bp
Risk-weighted assets (Basel III)		27,180	28,985	31,097		6.6%
Basel III		12.5%	12.5%			6 bp



IV. Annex

Quarterly Income Statements

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
Interest income	297.6	516.8	661.8	710.1	122.4%	28.1%
Interest expense	-101.0	-219.2	-373.8	-401.0	270.1%	70.5%
Net interest income	196.6	297.6	288.0	309.0	46.5%	-3.2%
Net income from inflation adjustments	68.0	135.0	280.1	300.5	312.2%	107.5%
Fees and commission income	172.0	178.1	181.6	194.8	5.6%	2.0%
Fees and commission expense	-65.6	-68.6	-79.1	-84.9	20.7%	15.4%
Net fee and commission income	106.4	109.6	102.5	110.0	-3.7%	-6.4%
Net gain/loss from financial operations	21.0	163.9	-99.4	-106.6	-572.1%	-160.6%
Foreign exchange gain/loss net	5.3	-104.5	131.5	141.1	2358.1%	-225.9%
Net results from financial transactions	26.4	59.5	32.1	34.5	21.7%	-46.0%
Other operating revenue	-22.4	31.3	-15.7	-16.8	-29.9%	-150.2%
Total operating income	374.9	632.9	687.0	737.1	83.2%	8.6%
Personnel salaries and expenses	-111.2	-133.6	-128.0	-137.3	15.1%	-4.2%
Administrative expenses	-70.2	-88.7	-71.2	-76.4	1.4%	-19.8%
Depreciation and amortization	-23.1	-19.5	-18.6	-20.0	-19.6%	-4.7%
Impairment	0.0	0.0	0.0	0.0		
Operating expenses	-204.5	-241.9	-217.8	-233.6	6.5%	-10.0%
Net income before credit losses	170.4	391.0	469.3	503.5	175.4%	20.0%
Credit loss expenses	-36.1	-84.3	-85.7	-91.9	137.6%	1.7%
INCOME BEFORE INCOME TAXES	134.3	306.8	383.6	411.5	185.5%	25.0%
Income taxes	-66.3	-119.4	-168.2	-180.5	153.8%	40.8%
NET INCOME FOR THE PERIOD	68.1	187.3	215.4	231.1	216.5%	15.0%
Net income attributable to equity holders	65.3	183.2	211.1	226.5	223.4%	15.2%
Net income attributable to non-controlling interest	2.8	4.1	4.2	4.5	52.8%	2.8%



Financial Information

	2Q21	1Q22	2Q22	2Q22	Change	
	Ch\$ billion			US\$ million	2Q22/2Q21	2Q22/1Q22
ASSETS						
Cash and deposits in banks	9,146	11,449	3,460	3,712	-62.2%	-69.8%
Unsettled transactions	1,054	716	599	642	-43.2%	-16.3%
Financial assets for trading at fair value through earnings	1,553	2,330	3,839	4,119	147.3%	64.8%
Derivative contracts	998	1,754	2,957	3,172	196.4%	68.6%
Debt instruments	551	565	875	938	58.8%	54.7%
Financial assets at fair value through other comprehensive income	12,066	11,897	10,699	11,478	-11.3%	-10.1%
Debt instruments	12,066	11,897	10,699	11,478	-11.3%	-10.1%
Financial derivative contracts for hedge accounting	177	124	235	252	32.8%	90.2%
Financial assets at amortized cost	27,281	28,562	33,357	35,787	22.3%	16.8%
Investments under resale agreements	125	45	13	14	-89.4%	-70.8%
Financial debt instruments	67	35	3,483	3,737	5093.6%	9957.3%
Interbank loans	810	1,108	1,242	1,333	53.5%	12.1%
Loans and accounts receivable from customers. Commercial	13,630	13,915	14,674	15,743	7.7%	5.5%
Loans and accounts receivable from customers. Mortgage	10,922	11,633	12,092	12,973	10.7%	3.9%
Loans and accounts receivable from customers. Consumer	1,727	1,826	1,853	1,988	7.3%	1.5%
Investments in other companies	17	20	22	23	27.0%	6.0%
Intangible assets	62	50	49	53	-21.3%	-1.4%
Property, plant and equipment	343	317	317	340	-7.7%	0.1%
Right-of-use assets	94	87	81	87	-13.8%	-6.7%
Current taxes	2	3	10	11	310.5%	228.0%
Deferred taxes	1,253	1,444	1,489	1,597	18.9%	3.1%
Other assets	500	674	908	974	81.6%	34.8%
Non-current assets and groups for sale	1	1	1	1	-34.6%	-32.3%
TOTAL ASSETS	53,549	57,671	55,064	59,077	2.8%	-4.5%
LIABILITIES						
Unsettled transactions	1,819	5,713	357	383	-80.4%	-93.7%
Financial liabilities for trading at fair value through earnings	919	1,735	3,014	3,234	227.9%	73.7%
Financial derivative contracts for hedge accounting	144	208	207	222	43.8%	-0.1%
Financial liabilities at amortized cost	45,778	44,327	45,894	49,238	0.3%	3.5%
Deposits and other demand liabilities	17,887	14,835	14,403	15,452	-19.5%	-2.9%
Time deposits and other time liabilities	14,467	16,908	17,461	18,733	20.7%	3.3%
Investments under repurchase agreements	1,549	971	1,558	1,671	0.6%	60.4%
Interbank borrowings	4,489	4,468	4,735	5,080	5.5%	6.0%
Issued debt instruments	7,221	7,010	7,589	8,142	5.1%	8.3%
Other financial liabilities	165	134	149	159	-9.8%	10.7%
Leasing obligations	88	81	83	89	-5.9%	2.1%
Issued regulatory capital instruments	1,029	1,090	1,134	1,217	10.3%	4.1%
Provisions for contingencies	178	181	213	229	20.0%	17.9%
Provisions for dividend, interest payments and reappreciation of financial issued regulatory capital instruments	110	457	263	282	139.9%	-42.4%
Provisions for credit risk	617	698	738	792	19.6%	5.8%
Current taxes	192	518	1	1	-99.4%	-99.8%
Deferred taxes	0	0	0	0	-57.7%	-72.3%
Other liabilities	529	455	742	796	40.1%	62.9%
Liabilities in groups for sale	-	-	-	-	-	-
TOTAL LIABILITIES	51,404	55,462	52,647	56,484	2.4%	-5.1%
EQUITY						
Capital	970	970	970	1,041	0.0%	0.0%
Reserves	1,149	1,150	1,329	1,425	15.6%	15.5%
Other comprehensive income	0	-11	-23	-25	-13680.0%	109.5%
Retained earnings	-	365	-	-	-	-
Net income for the period	128	183	394	423	207.7%	115.2%
Provisions for dividend, interest payments and reappreciation of financial issued regulatory capital instruments	-110	-457	-263	-282	139.9%	-42.4%
Total owners' equity	2,138	2,201	2,407	2,583	12.6%	9.4%
Non-controlling interests	8	9	10	11	31.7%	15.3%
TOTAL EQUITY	2,146	2,209	2,417	2,593	12.7%	9.4%
TOTAL LIABILITIES AND EQUITY	53,549	57,671	55,064	59,077	2.8%	-4.5%