



Santander

Tu banco

# Banco Santander Chile 1Q24 results

May 14, 2024

## Important information

Banco Santander Chile caution that this presentation contains forward looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: (1) general market, macro-economic, governmental and regulatory trends; (2) movements in local and international securities markets, currency exchange rates, and interest rates; (3) competitive pressures; (4) technological developments; and (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties. The risk factors and other key factors that we have indicated in our past and future filings and reports, including those with the Securities and Exchange Commission of the United States of America, could adversely affect our business and financial performance.

**Note:** the information contained in this presentation is not audited and is presented in Chilean Bank GAAP which is similar to IFRS, but there are some differences. Please refer to our 2023 20-F filed with the SEC for an explanation of the differences between Chilean Bank GAAP and IFRS. Nevertheless, the consolidated accounts are prepared on the basis of generally accepted accounting principles. All figures presented are in nominal terms. Historical figures are not adjusted by inflation. Please note that this information is provided for comparative purposes only and that this restatement may undergo further changes during the year and, therefore, historical figures, including financial ratios, presented in this report may not be entirely comparable to future figures presented by the Bank.



## Agenda

### 1| Macro Update

2| Chile First: Strategy 2023-2026

3| Balance sheet and results

4| Conclusions

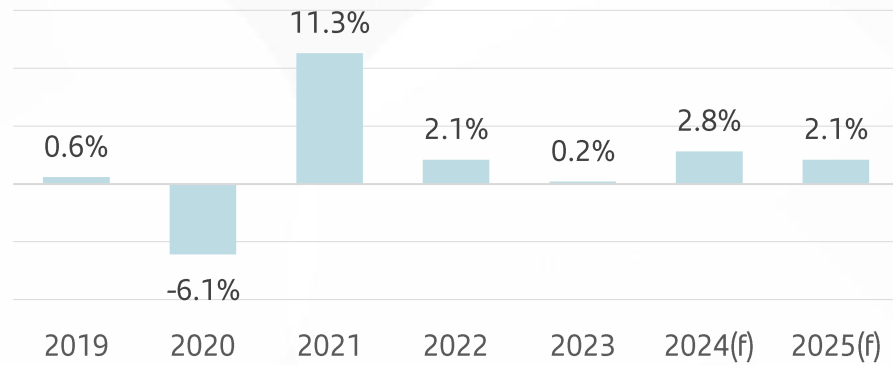
5| Annexes



# Macro view for Chile

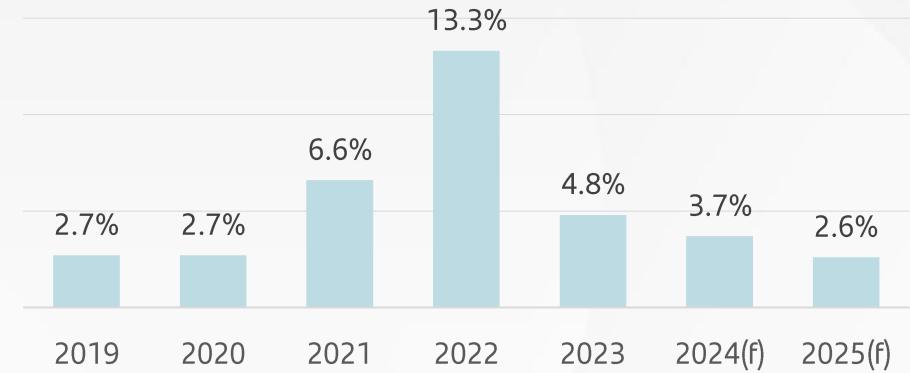
## GDP Growth

Annual growth %



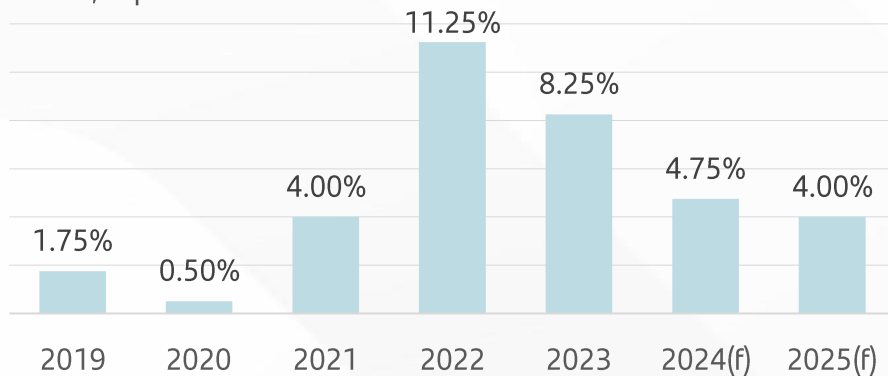
## Inflation

UF inflation, annual variation, %



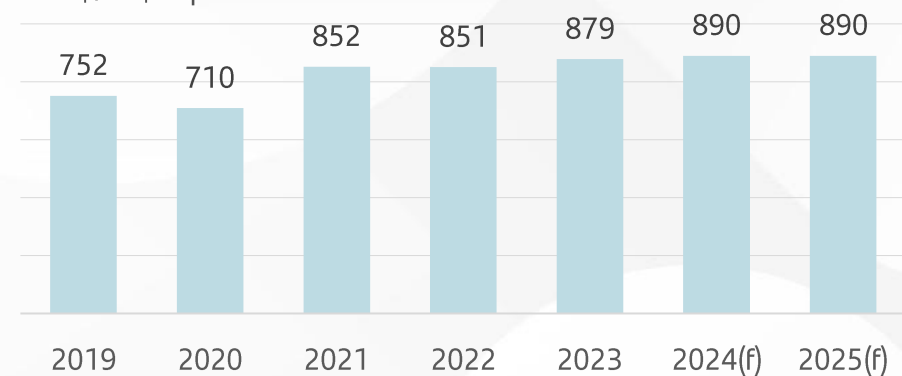
## Monetary Policy Rate

%, eop



## Exchange Rate

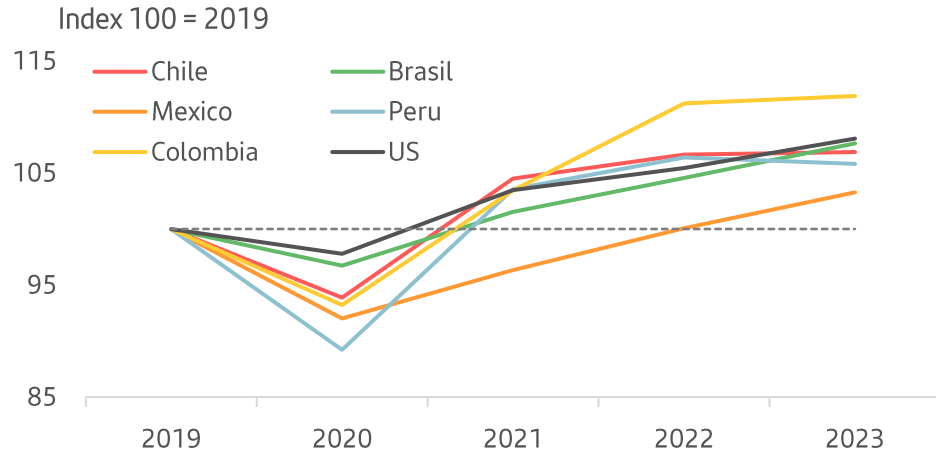
\$/US\$ eop



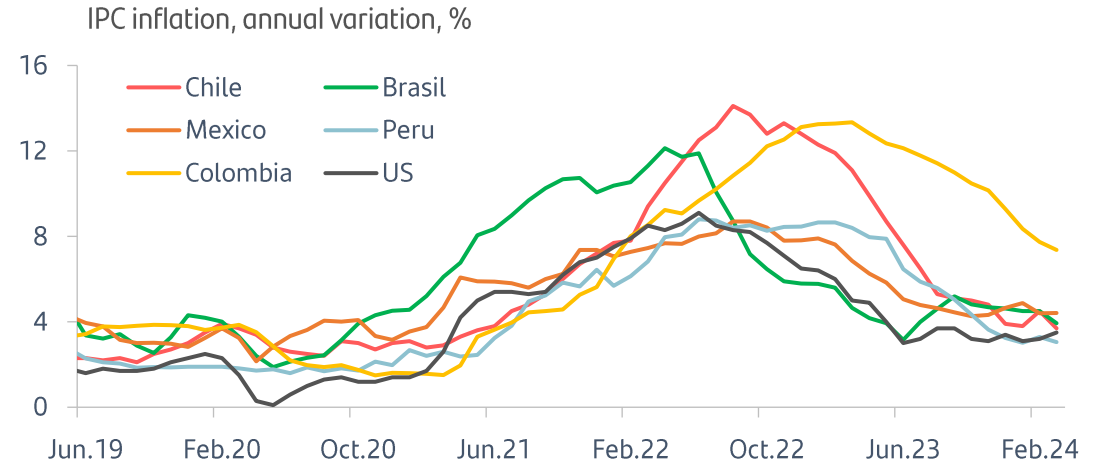


# Macro view

## GDP

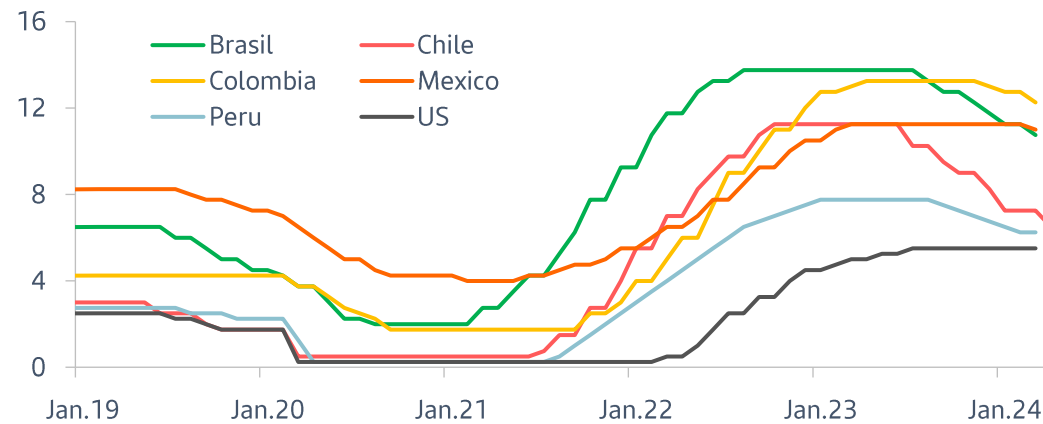


## Inflation



## Monetary Policy Rate

%, eop





## Update on proposed regulations

### Fiscal pact

Bill includes anti-tax evasion measures, greater fiscal oversight and transparency, measures to support productivity and economic growth, and income tax changes.

### Pension reform

Bill considers the social security, the division of the sector into investment managers and administrative support, and the change to a generational fund system, among others.

### Fintech Law

New regulated entities/activities.  
Open Finance System to share customer`s information with their consent.

### Fraud Law

Amendments to Fraud Law to avoid so-called banking “self-fraud”.



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# Chile First Strategy: We have adjusted our structure to reflect our strategy

## WHAT we want to deliver

A Digital Bank with Work/Café...

...for more than 5 million clients and 450 thousand SMEs<sup>1</sup> based on state of the art technology and processes and collaborators centered on the customer.

Specialization and added value to create differentiation ...

...with a differential value-added service and offer for transactional products, FX and advisory.

## HOW we want to deliver

Sustained generation of new business opportunities...

...encouraging competition, looking for growth and leading the market in sustainable finance.

An organization that is agile, collaborative and high performance...

...the best place to work in Chile, attracting, developing and retaining exceptional people based on merit.





# A Digital Bank with Work/Cafés

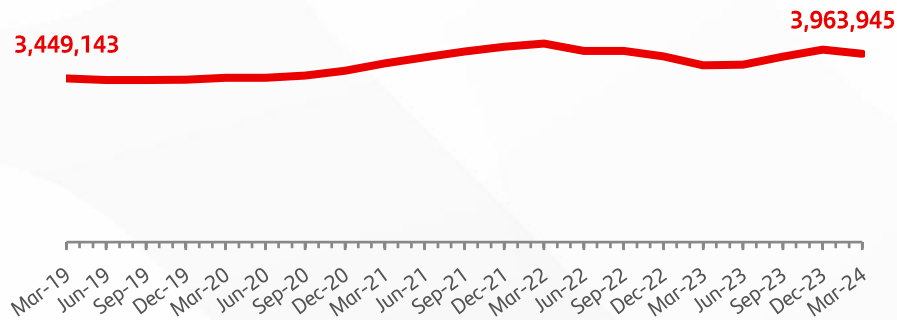


- Digital products for the non-bankerized populations that seek to part of the bank, receiving merits for the positive financial behaviours (through loans and savings).



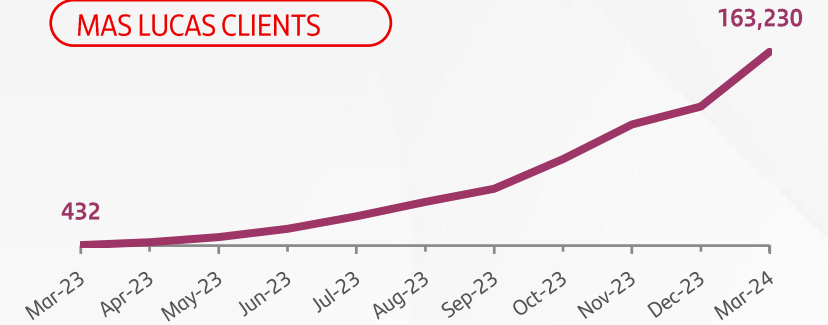
- The first 100% digital sight and savings accounts for the mass market. Launched in March 2023.

TOTAL CLIENTS

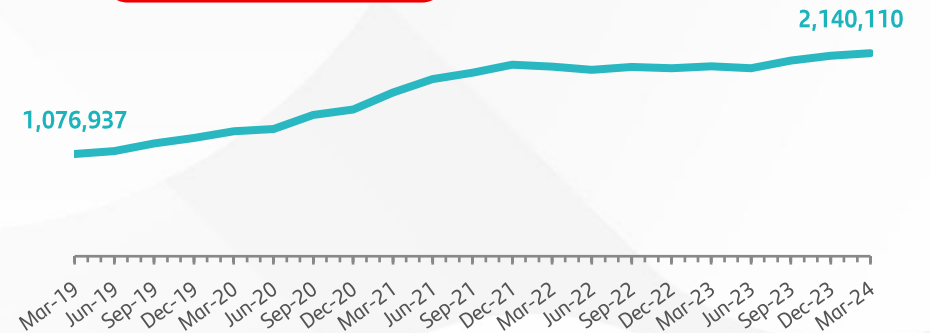


4 million clients

MAS LUCAS CLIENTS



DIGITAL CLIENTS



2.1 million digital clients



# Digital initiatives and Work/Café boost productivity indicators



Work/Café  Expresso



Work/Café  StartUp



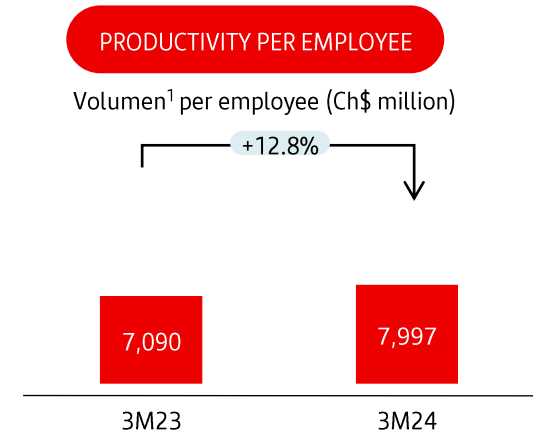
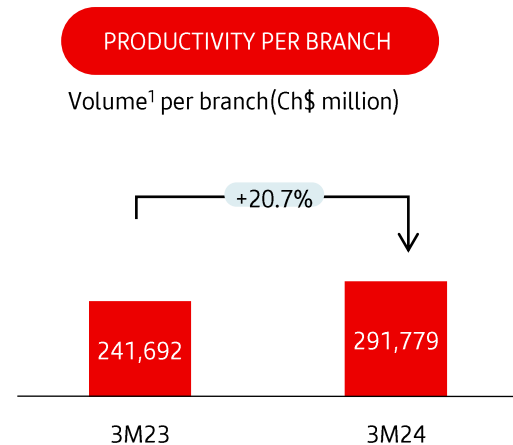
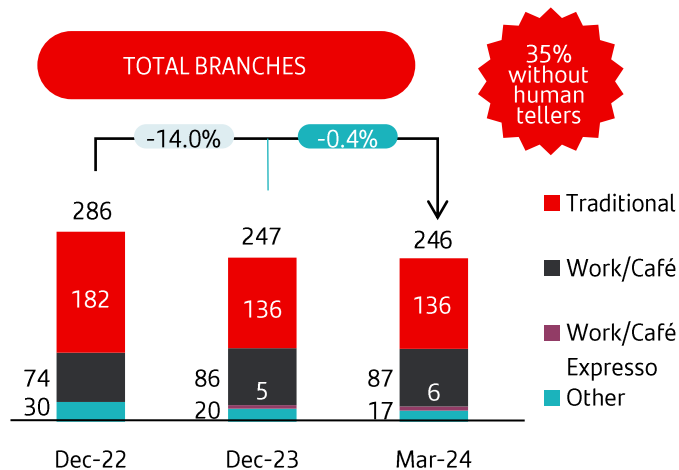
 NEW 4Q

Work/Café  Inversiones

- Consolidating cash services into the Work/Café Expresso.
- New transaction centers, removing tellers and replacing traditional branches.
- Private spaces for cashier interactions and self-service technology, in a Work/Café environment.
- Greater efficiency in the management of cash.
- Less waiting times.

- A branch dedicated to the StartUps
- Financial products that are specific to their needs
- Advice from an expert panel on the development of StartUp projects
- Support of fintechs with high potential
- Encourage the relationship between the StartUps and the Bank

- Work/Café model dedicated to investment advice for clients and potential clients
- Offers talks and workshops based on investment
- Support financial education and financial well being Open to everyone, independent of the amount they want to invest.



1. Volume= total loans + total deposits



# Specialization and added value for companies



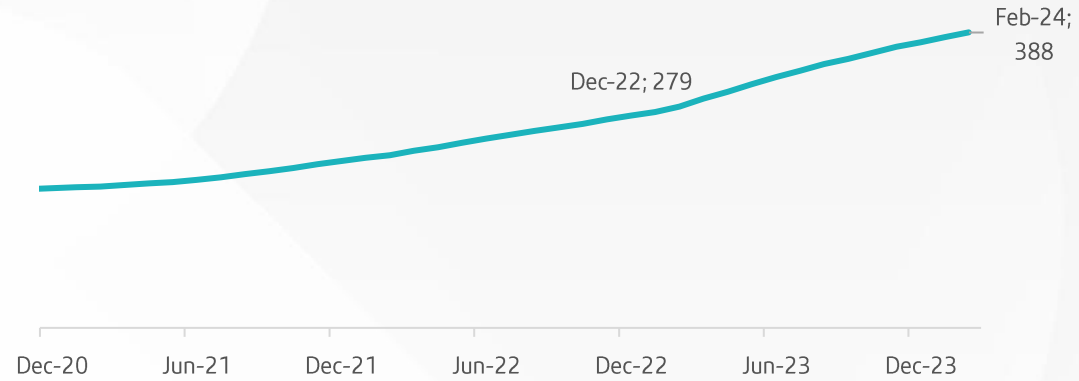
- For small and medium sized companies that want a current account for their business.



- Acquiring network that uses the four-part model to operate, offering an integrated payments solution to businesses.
- Focus on the development of companies of different sizes and improving the customer experience.
- More than 163k of active POS.

## NUMBER OF BUSINESS CURRENT ACCOUNTS

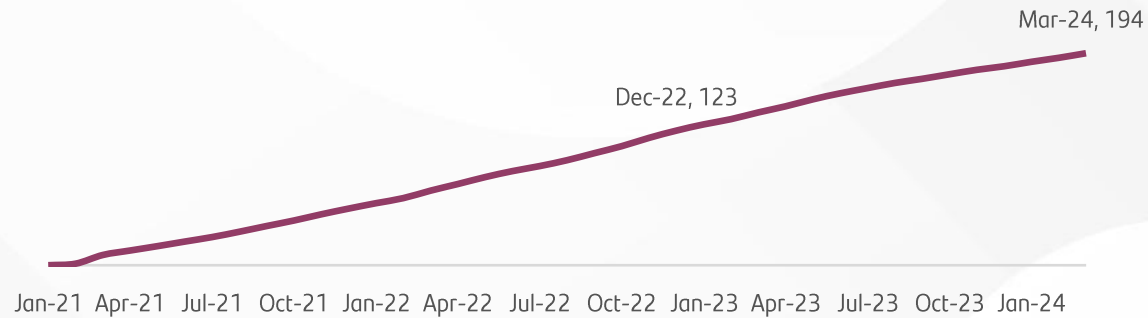
(Thousands)



**+36%**  
YoY Business Current accounts

## NUMBER OF SME GETNET CLIENTS

(Thousands)

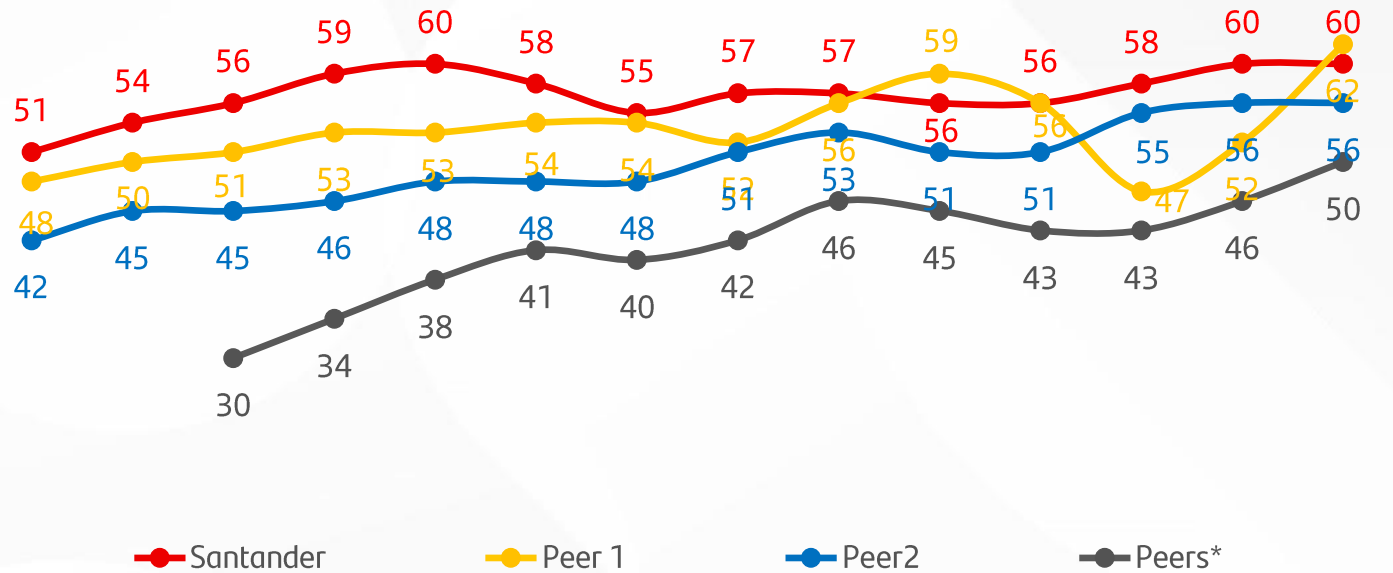


**+39%**  
YoY SMES Getnet clients



# Leading our peers in NPS for the last 4 years

BENCHMARK NET PROMOTER SCORE (NPS)<sup>1</sup>



## 2023

NET SATISFACTION (SN)<sup>1</sup>

Top 1 🏆 Branch

Top 1 🏆 Branch Managers

Top 1 🏆 Contact Center

1) Source: Benchmark Activa Research. The results are audited 2 times a year  
 2) Peers: BCI, Banco de Chile, Banco Estado, Itau, Scotiabank



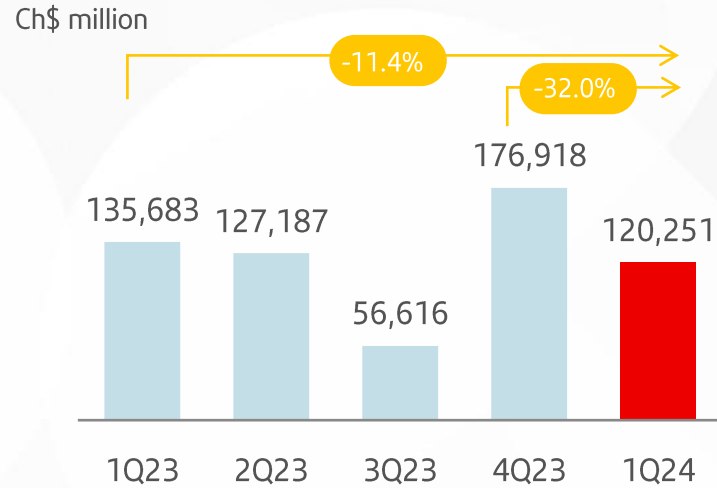
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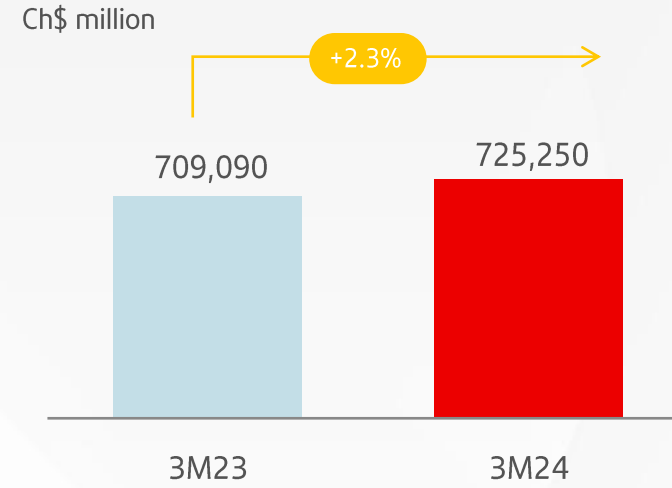


# First quarter ahead of guidance with an ROAE of 11.2% and book value increasing

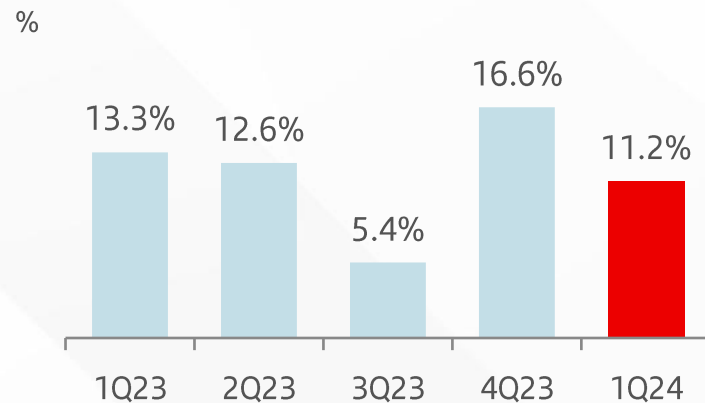
Quarterly net income attributable to shareholders



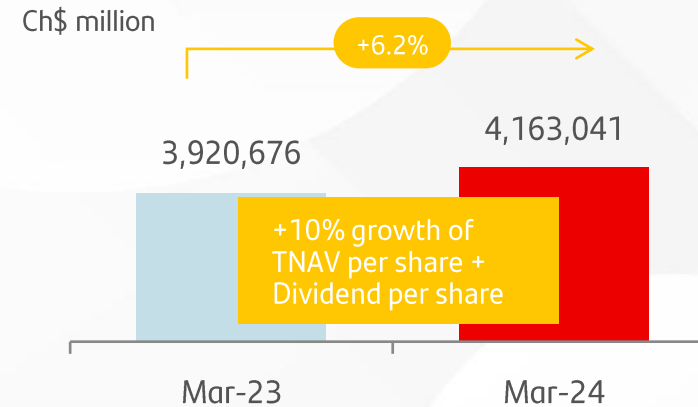
Accumulated gross income from segments



Quarterly ROAE



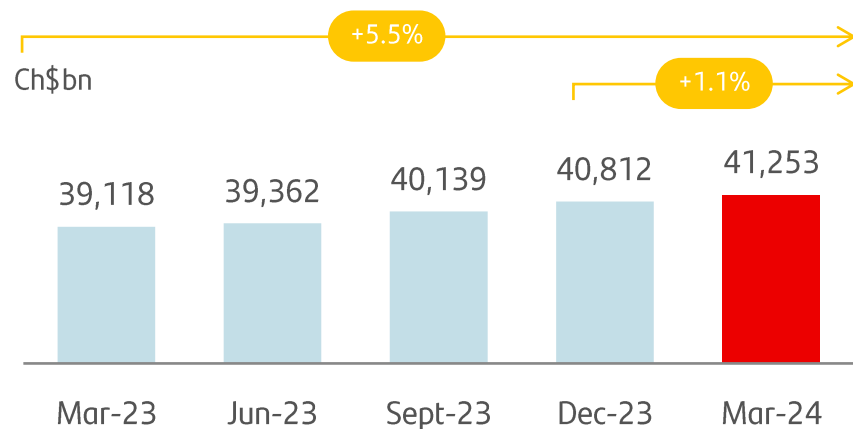
Book Value





## Loan growth driven by commercial and mortgage lending

### Total loans



### Total loans by product

Ch\$ billion	3M24	YoY	QoQ
Consumer	5,637	5.5%	0.7%
<i>Auto loans<sup>1</sup></i>	912	2.0%	2.2%
<i>Credit cards</i>	1,780	13.8%	2.6%
Mortgages	17,270	7.7%	1.1%
Commercial	18,345	4.8%	1.5%
<b>Total<sup>2</sup></b>	<b>41,253</b>	<b>5.5%</b>	<b>1.1%</b>

### Total loans by segment

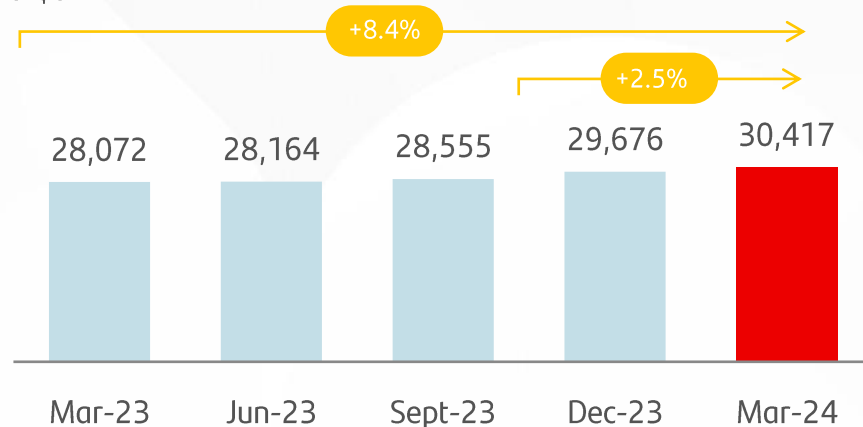
Ch\$ billion	3M24	YoY	QoQ
Retail	30,820	4.4%	(0.8%)
WM&I	751	9.9%	3.1%
Middle Market	6,139	3.6%	1.9%
Corporate (CIB)	3,324	12.7%	7.6%
<b>Total<sup>2</sup></b>	<b>41,253</b>	<b>5.5%</b>	<b>1.1%</b>

1. Santander Consumer Finance, auto loans. 2. Includes other interbank loans.



## Solid liquidity levels and total deposits increase 2.5% QoQ

Total deposits  
Ch\$bn



Ch\$ billion	3M24	YoY	QoQ
Demand deposits	13,509	(2.2%)	(0.2%)
Time deposits	16,908	18.5%	4.8%
<b>Total deposits</b>	<b>30,417</b>	<b>8.4%</b>	<b>2.5%</b>
Mutual funds <sup>1</sup>	11,549	35.5%	12.7%
Bonds	10,814	11.4%	3.7%
LCR <sup>2</sup>	176.3%		
NSFR <sup>2</sup>	101.6%		

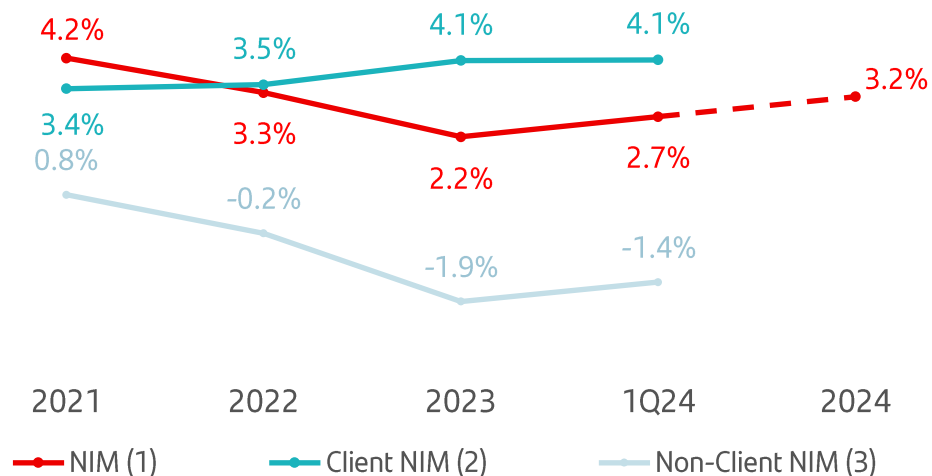
- We received Ch\$6.2 trillion in FCIC from the Central Bank of Chile during the pandemic. This credit line has two maturities one was April 1st, and the second and final payment is July 1st.
- On April 1st we paid ~55% of the total, using the liquidity deposit programme facilitated by the Central Bank (HTC portfolio).
- For the second payment we have almost all constituted in Central Bank liquidity deposits as of today.
- With the payment of the total FCIC we estimate that our LCR will be around 170%, demonstrating ample liquidity.





# NIM recovery on track at 2.7% on 1Q24

## NIM<sup>1</sup> & Inflation



	2021	2022	2023	1Q24	2024 (Estimated)
UF	6.6	13.3	4.8	0.8	3.7
Average MPR.	1.3	9.0	10.3	7.6	6.1

## Net interest income

Ch\$ billion	3M24	YoY	QoQ
Net interest income	311	77.2%	23.4%
Net readjustment income	52	(49.1%)	(59.4%)
<b>Net income from interest and readjustments</b>	<b>362</b>	<b>30.9%</b>	<b>(4.4%)</b>
Avg. Int. earning assets	54,060	9.0%	3.0%
Average loans	41,125	5.6%	1.5%
Int. earning asset yield <sup>4</sup>	7.7%	-92bp	-136bp
Cost of funds <sup>5</sup>	5.3%	-156bp	-120bp
<b>NIM YTD</b>	<b>2.7%</b>	<b>+45bp</b>	<b>-21bp</b>

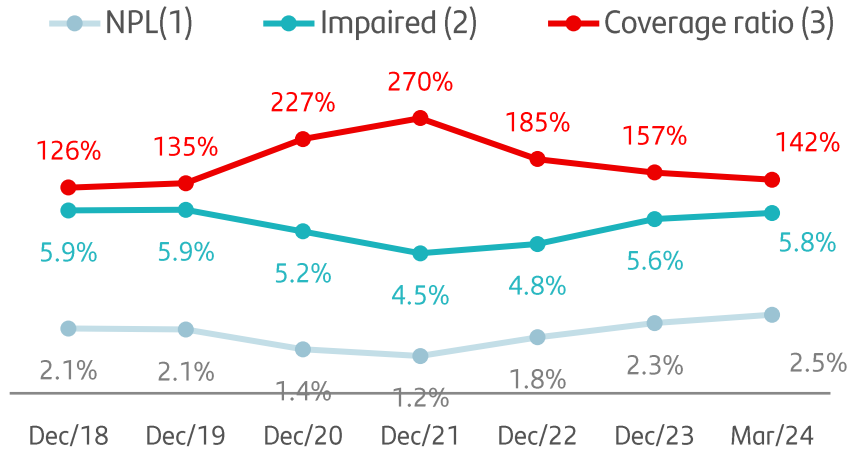
NIM for the month of April reached 3.5% and 2.9% YTD

1. Annualized Net interest income divided by average interest earning assets (IEA). 2. NII from business segments divided by IEA. 3. Non client NIM = Total NIM minus Client NIM. 4. Annualized gross interest income divided by average interest earning assets. 5. Annualized interest expense divided by sum of average interest bearing liabilities, including non-interest bearing demand deposits

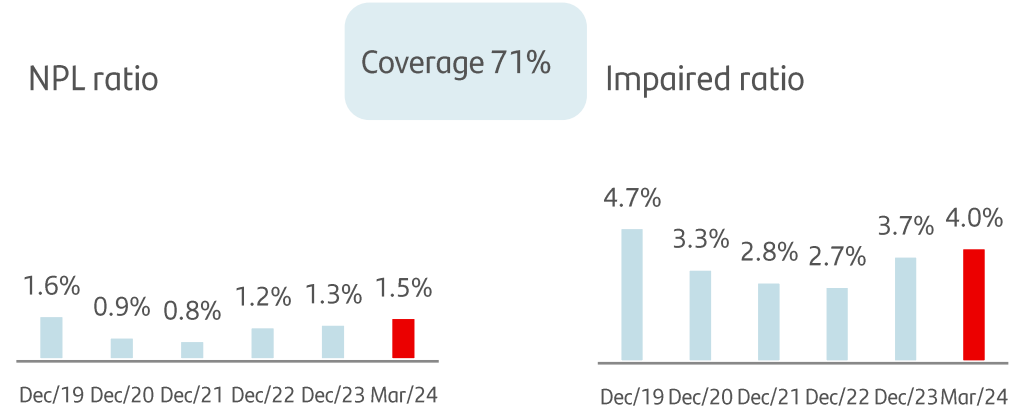


## Asset quality levels: increasing NPLs in line with this part of the economic cycle.

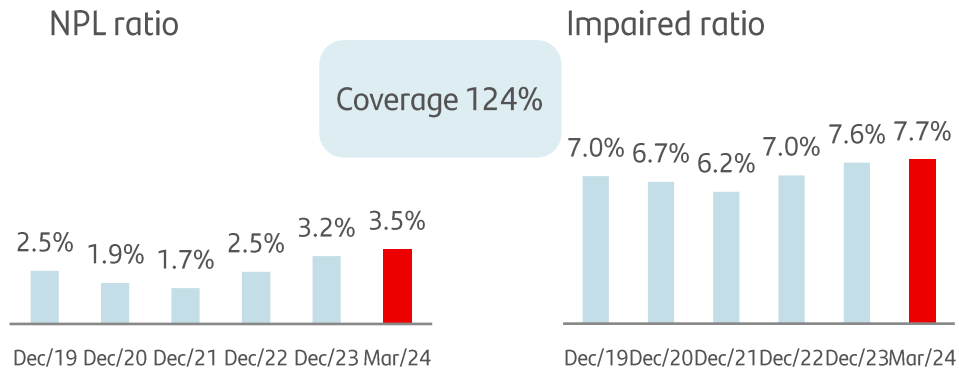
### Total loans



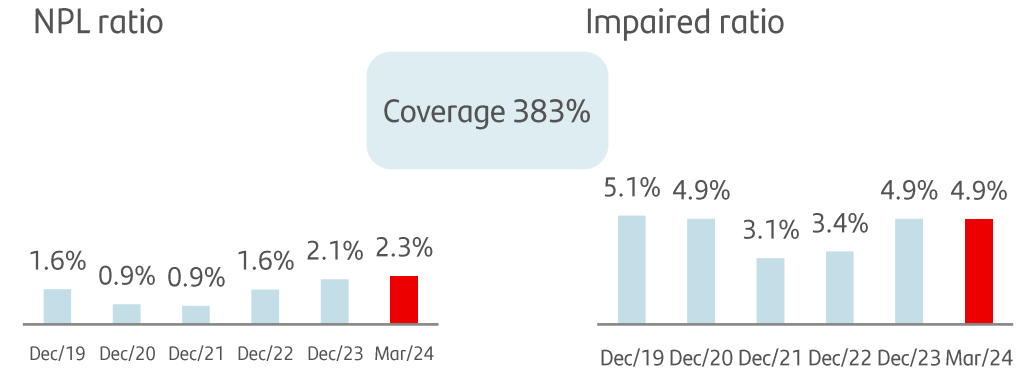
### Mortgage loans



### Commercial loans



### Consumer loans



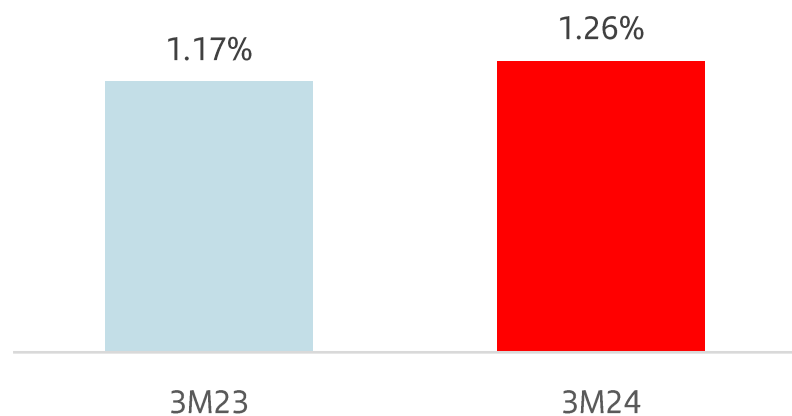
1. 90 days or more NPLs. 2. NPLs + restructured loans. 3. Loan loss reserves over NPLs, includes total additional provisions and regulatory requirements for Ch\$299 bn. 4. Cost of risk: YTD provision expense annualized divided by average loans.



## Cost of Credit at 1.26% YTD

### Cost of risk<sup>1</sup>

%



### Provisions

Ch\$ billion	3M24	YoY	QoQ
Gross provisions and write-offs	(160.2)	21.9%	(138.3%)
Recoveries	31.0	55.1%	(144.2%)
<b>Provisions</b>	<b>(129.3)</b>	<b>15.5%</b>	<b>(137.0%)</b>
<b>Cost of risk(YTD)</b>	<b>1.26%</b>		

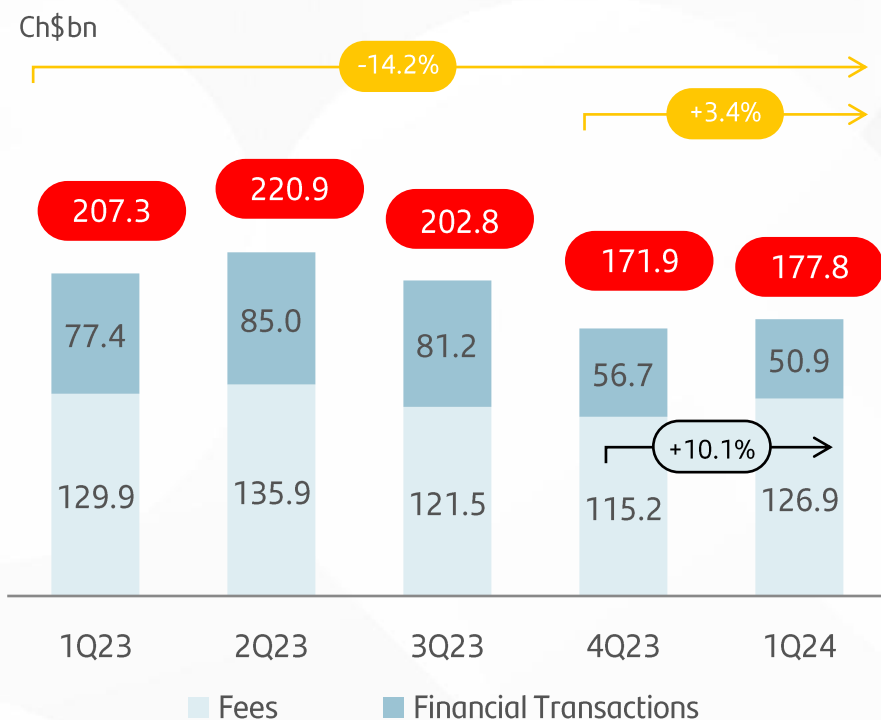
- Nearly all mortgage loans and half of commercial loans are collateralized.
- This should contain the cost of credit at around 1.3% in 2024.

1. Cost of risk: Provision expense annualized divided by average loans. Includes additional provisions



## Digital platforms drive client growth and fees in the quarter

### Fees and Financial Transactions



New interchange fee regulation started in October 2023. Estimated negative gross impact in 2024 is Ch\$ 25bn and in 2025 Ch\$47 bn

### Fees

Ch\$ billion	3M24	YoY	QoQ
Card fees	28.5	(15,9%)	(23,0%)
Getnet	14.3	40,4%	13,4%
Asset management	17.7	24.1%	10.7%
Collection fees	15.8	(2.3%)	26.8%
Insurance brokerage	16.4	5.3%	22.6%
Checking accounts	17.2	21.2%	9.3%
Guarantees, cont. op.	7.9	(15.0%)	(0.4%)
Others	9.1	(44.5%)	--%
<b>Total</b>	<b>126.9</b>	<b>(2.3%)</b>	<b>10.1%</b>

### Financial transactions

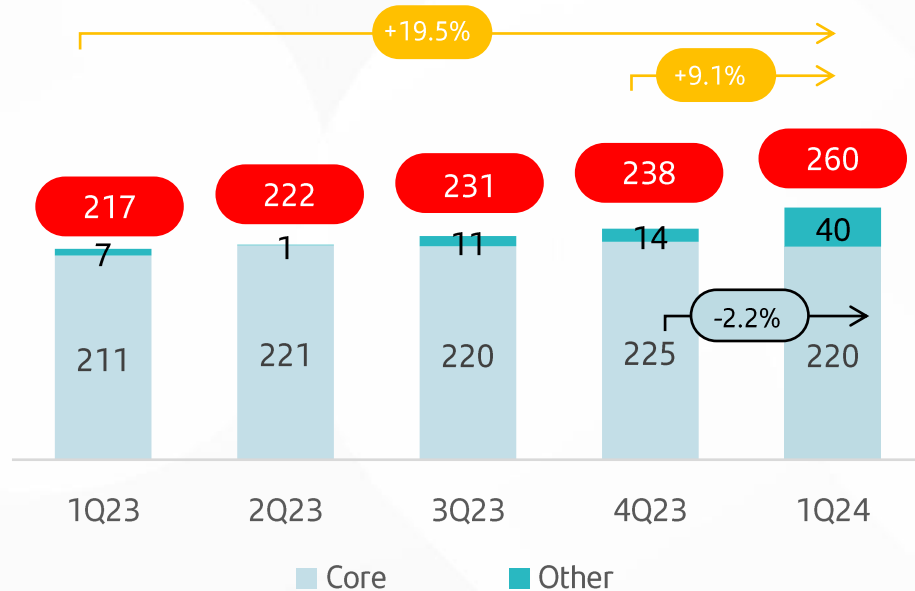
Ch\$ billion	3M24	YoY	QoQ
Client	63.0	(12.5%)	7.3%
Non-Client	-12.1	--%	500.1%
<b>Total</b>	<b>50.9</b>	<b>(34.3%)</b>	<b>(10.3%)</b>



## Core expenses on target growing in line with inflation. One-time provision charge in other operating expenses in 1Q24

### Operating expenses

Ch\$bn



	1Q	2Q	3Q	4Q	1Q
Efficiency	44.4%	46.3%	54.1%	43.1%	47.4%

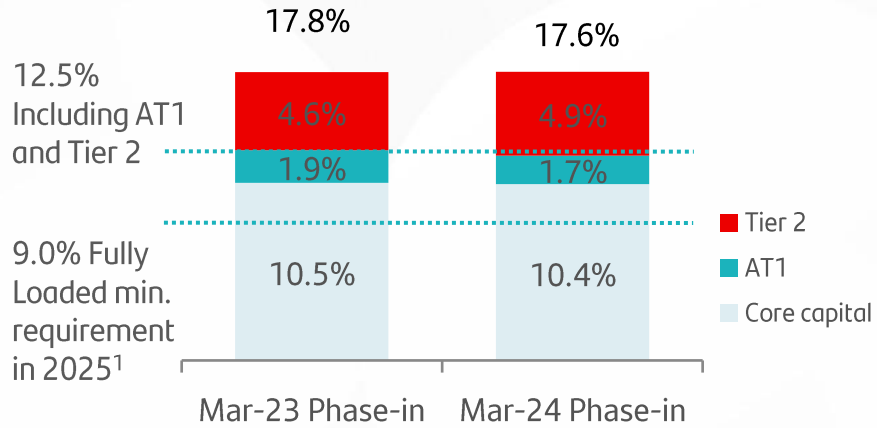
Ch\$ billion	3M24	YoY	QoQ
Personnel expenses	91.0	(6.4%)	(4.7%)
Administrative expenses	92.3	19.4%	(0.4%)
Investment amortization	36.3	0.6%	(0.5%)
<b>Total Core expenses</b>	<b>219.6</b>	<b>4.3%</b>	<b>(2.2%)</b>
Other operating expenses	40.2	493.9%	195.5%
<b>Operating expenses<sup>1</sup></b>	<b>259.8</b>	<b>19.5%</b>	<b>9.1%</b>
Efficiency ratio <sup>2</sup>	47.4%	+301bp	+430bp
Costs/assets	1.4%	+16bp	+7bp

The Bank recognized a provision of Ch\$ 17 billion for restructuring related to the branch network and the advances in digital banking.



# Solid capital levels with a BIS ratio at 17.6%

Core capital & BIS ratio



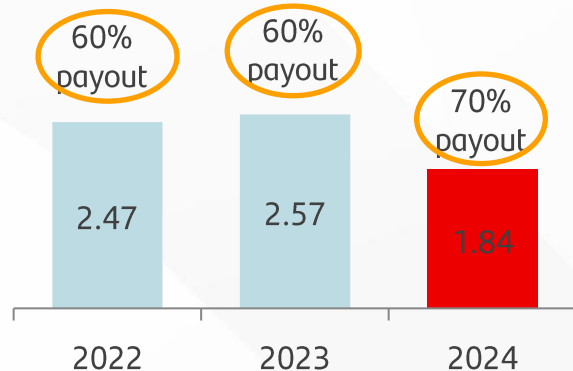
Current Phase-in of Basel III

	Dec-22	Dec-23	May-24	Dec-24	Dec-25
Minimum from Banking Law	4.5%	4.5%	4.5%	4.5%	4.5%
D- SIB	0.38%	0.75%	0.75%	1.13%	1.5%
<b>Minimum CET1</b>	<b>4.88%</b>	<b>5.25%</b>	<b>5.25%</b>	<b>5.63%</b>	<b>6.00%</b>
Conservation buffer	1.25%	1.88%	1.88%	2.5%	2.5%
Countercyclical buffer	0.0%	0.0%	0.5%	0.5%	0.5%
<b>Min. CET1 + Buffers</b>	<b>6.1%</b>	<b>7.1%</b>	<b>7.6%</b>	<b>8.6%</b>	<b>9.0%</b>
Pillar II (CET1, AT1 and Tier 2)	0.0%	0.0%	0.0%	0.0%	0.0%

New requirements for Pillar II

- New requirements of Pillar II contemplate two main topics: Credit Concentration Risk (RCC in Spanish) and Banking Book Market Risk (RMLB in Spanish).
- CMF assigned different charges for these concepts to the banks. For Santander Chile the charge is 0%.
- The measurement of the market risk of the banking book will continue to be discussed, and capital charges may be made in the coming years, based on the IAPE (self-assessment of effective equity) exercises carried out by the banks.

Dividend per Share  
Ch\$ pesos



1. Includes systemic charge of 1.5% (Level II), and Pillar 2 of 0% according to current CMF requirements and regulatory phase-in of CET1 and RWAs.



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## Guidance

### 2024 guidance

- Macro assumptions: GDP~2.8% / UF inflation: ~3.6% / MPR at 4.75% by year end.
- Mid-single digit loan growth as economy reactivates
- Margins improving, with NIM of ~3.2%
- Non-NII growing mid single digits with good customer product trends but impacted by interchange fees regulation
- CoR increasing ~1.3% with asset quality following the economic cycle
- Core expenses in line with inflation ~4%
- Effective tax rate returning to normalized levels
- 2024 ROE: recovering towards normalized levels, reaching 15%-17%.
  
- **LT ROE expectations unaltered: 17-19%**









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Assets	Mar-24	Dec-23	Mar-24/Dec-23
	Ch\$ Million		% Chg.
Cash and deposits in banks	2.629.959	2.723.282	(3,4%)
Cash items in process of collection	605.718	812.524	(25,5%)
Financial assets for trading at fair value through earnings	13.516.329	10.217.794	32,3%
<i>Financial derivative contracts</i>	13.362.903	10.119.486	32,1%
<i>Financial debt instruments</i>	153.426	98.308	56,1%
Financial assets at fair value through other comprehensive income	4.030.638	4.641.282	-13,2%
<i>Financial debt instruments</i>	3.922.828	4.536.025	-13,5%
<i>Other financial instruments</i>	107.811	105.257	2,4%
Financial derivative contracts for hedge accounting	920.606	605.529	52,0%
Financial assets at amortized cost	48.783.574	47.834.678	2,0%
<i>Investments under resale agreements</i>	-	-	--%
<i>Financial debt instruments</i>	8.719.373	8.176.895	6,6%
<i>Interbank loans, net</i>	1.313	68.326	-98,1%
<i>Loans and account receivables from customers- Commercial</i>	17.662.143	18.071.657	-2,3%
<i>Loans and account receivables from customers- Mortgage</i>	17.099.865	17.073.439	0,2%
<i>Loans and account receivables from customers- Consumer</i>	5.300.878	5.598.350	-5,3%
Investments in associates and other companies	56.662	55.284	2,5%
Intangible assets	90.129	97.551	(7,6%)
Property, plant and equipment	203.504	198.744	2,4%
Assets with leasing rights	142.086	153.528	(7,5%)
Current taxes	130	146	(11,3%)
Deferred taxes	448.998	428.549	4,8%
Other assets	3.300.773	3.046.607	8,3%
Non-current assets and groups for sale	51.146	42.390	20,7%
<b>TOTAL ASSETS</b>	<b>74.780.252</b>	<b>70.857.886</b>	<b>5,5%</b>



	Mar-24	Dec-23	Mar-24/Dec-23
	Ch\$ Million		% Chg.
<b>LIABILITIES</b>			
Cash items in process of being cleared	597.489	775.082	(22,9%)
Financial liabilities for trading at fair value through earnings	13.398.661	9.521.575	40,7%
<i>Financial derivative contracts</i>	13.398.661	9.521.575	40,7%
Financial derivative contracts for hedge accounting	1.762.326	2.466.767	(28,6%)
Financial liabilities at amortized cost	49.049.263	48.622.170	0,9%
<i>Deposits and other demand liabilities</i>	13.508.867	13.537.826	(0,2%)
<i>Time deposits and other time liabilities</i>	16.908.024	16.137.942	4,8%
<i>Obligations under repurchase agreements</i>	265.737	282.584	(6,0%)
<i>Interbank borrowings</i>	9.768.905	10.366.499	(5,8%)
<i>Issued debt instruments</i>	8.288.304	8.001.045	3,6%
<i>Other financial liabilities</i>	309.426	296.273	4,4%
Obligations for leasing contracts	94.742	104.516	(9,4%)
Financial instruments of issued regulatory capital	2.525.976	2.422.659	4,3%
Provisions for contingencies	83.358	108.781	(23,4%)
Provisions for dividend, payment of interest and re-appreciation of financial instruments of issued regulatory capital	397.240	154.033	157,9%
Special provisions for credit risk	339.538	339.334	0,1%
Current taxes	164.747	163.878	0,5%
Deferred taxes	2.430	3.547	(31,5%)
Other liabilities	2.073.914	1.683.650	23,2%
<b>TOTAL LIABILITIES</b>	<b>70.489.684</b>	<b>66.365.993</b>	<b>6,2%</b>
<b>EQUITY</b>			
Capital	<b>891.303</b>	<b>891.303</b>	<b>0,0%</b>
Reserves	3.115.239	3.115.239	0,00%
Accumulated other comprehensive income	(86.404)	(5.242)	1548,39%
<i>Elements that will not be reclassified to earnings</i>	1.378	1.369	0,64%
<i>Elements that can be reclassified to earnings</i>	(87.782)	(6.611)	1227,83%
Retained earnings from prior years	519.891	23.487	2113,5%
Income from the period	120.251	496.404	-75,78%
Provisions for dividend, payment of interest and re-appreciation of financial instruments of issued regulatory capital	(397.240)	(154.033)	157,89%
<b>Total Shareholders' Equity</b>	<b>4.163.041</b>	<b>4.367.159</b>	<b>-4,67%</b>
<b>Non-controlling interest</b>	<b>127.528</b>	<b>124.735</b>	<b>2,24%</b>
<b>EQUITY</b>	<b>4.290.568</b>	<b>4.491.893</b>	<b>-4,48%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>74.780.252</b>	<b>70.857.886</b>	<b>5,54%</b>



	Mar-24	Mar-23	Mar-24/Mar-23
	Ch\$ Million		% Var.
Interest income	980,875	923,500	6.2%
Interest expenses	(670,148)	(748,155)	(10.4%)
<b>Net interest income</b>	<b>310,727</b>	<b>175,345</b>	<b>77.2%</b>
Readjustment income	63,041	148,464	(57.5%)
Readjustment expenses	(11,330)	(46,928)	(75.9%)
<b>Net income from readjustments</b>	<b>51,711</b>	<b>101,537</b>	<b>(49.1%)</b>
<b>Net income from interest and readjustments</b>	<b>362,438</b>	<b>276,881</b>	<b>30.9%</b>
Fee and commission income	229,747	209,176	9.8%
Fee and commission expenses	(102,832)	(79,241)	29.8%
<b>Net fee and commission income</b>	<b>126,914</b>	<b>129,935</b>	<b>(2.3%)</b>
Financial assets not for trading	(1,684)	133,242	(101.3%)
Result from derecognition of financial assets and liabilities at amortized cost and of financial assets at fair value with changes in other comprehensive income	(45,636)	(36,561)	7326.6%
Changes, readjustments and hedge accounting in foreign currency	98,187	(19,309)	(608.5%)
<b>Net financial result</b>	<b>50,867</b>	<b>77,371</b>	<b>(34.3%)</b>
Income from investments in associates and other companies	1,377	1,542	(10.7%)
Results from non-current assets and non-continued operations	30	2,929	(99.0%)
Other operating income	5,931	544	990.3%
<b>Total operating income</b>	<b>547,558</b>	<b>489,203</b>	<b>11.9%</b>
Personnel expenses	(91,020)	(97,214)	(6.4%)
Administration expenses	(92,262)	(77,297)	19.4%
Depreciation and amortization	(36,274)	(36,047)	0.6%
Impairment of non-financial assets	—	-	—%
Other operational expenses	(40,199)	(6,769)	493.9%
<b>Total operating expenses</b>	<b>(259,756)</b>	<b>(217,327)</b>	<b>19.5%</b>
<b>Operating income before credit losses</b>	<b>287,801</b>	<b>271,876</b>	<b>5.9%</b>
Provisions for credit risk owed by banks and loans and accounts receivable from customers	(161,657)	(132,039)	22.4%
Expense for special provisions for credit risk	1,325	(1,354)	(197.9%)
Recovery of written off loans	30,983	20,314	52.5%
Impairment due to credit risk of other financial assets at amortized cost and financial assets at fair value with changes in other comprehensive income	95	(1,169)	45.8%
<b>Credit loss expense</b>	<b>(129,253)</b>	<b>(114,249)</b>	<b>13.1%</b>
<b>Net income from ordinary activities before tax</b>	<b>158,548</b>	<b>157,627</b>	<b>0.6%</b>
Income tax	(35,505)	(17,838)	99.0%
<b>Consolidated profit for the period</b>	<b>123,043</b>	<b>139,789</b>	<b>(12.0%)</b>
<b>Income attributable to shareholders</b>	<b>120,251</b>	<b>135,683</b>	<b>(11.4%)</b>
<b>Income attributable to non-controlling interest</b>	<b>2,792</b>	<b>4,106</b>	<b>(32.0%)</b>



	1Q24	4Q23	1Q23	1Q24/1Q23	1Q24/4Q23
	Ch\$ Million			% Var.	
Interest income	980,875	1,012,962	923,500	6.2%	(3.2%)
Interest expenses	(670,148)	(761,148)	(748,155)	(10.4%)	(12.0%)
<b>Net interest income</b>	<b>310,727</b>	<b>251,814</b>	<b>175,345</b>	<b>77.2%</b>	<b>23.4%</b>
Readjustment income	63,041	179,628	148,464	(57.5%)	(64.9%)
Readjustment expenses	(11,330)	(52,155)	(46,928)	(75.9%)	991.5%
<b>Net income from readjustments</b>	<b>51,711</b>	<b>127,473</b>	<b>101,537</b>	<b>(49.1%)</b>	<b>(59.4%)</b>
<b>Net income from interest and readjustments</b>	<b>362,438</b>	<b>379,286</b>	<b>276,881</b>	<b>30.9%</b>	<b>(4.4%)</b>
Fee and commission income	229,747	218,446	209,176	9.8%	5.2%
Fee and commission expenses	(102,832)	(103,212)	(79,241)	29.8%	(0.4%)
<b>Net fee and commission income</b>	<b>126,914</b>	<b>115,234</b>	<b>129,935</b>	<b>(2.3%)</b>	<b>10.1%</b>
Financial assets not for trading	(1,684)	(8,943)	133,242	(108.9%)	(66.1%)
Result from derecognition of financial assets and liabilities at amortized cost and of financial assets at fair value with changes in other comprehensive income	(45,636)	(89,049)	(36,561)	24.8%	(2646.5%)
Changes, readjustments and hedge accounting in foreign currency	98,187	154,687	(19,309)	(608.5%)	(36.5%)
<b>Net financial result</b>	<b>50,867</b>	<b>56,695</b>	<b>77,371</b>	<b>(34.3%)</b>	<b>(10.3%)</b>
Income from investments in associates and other companies	1,377	2,357	1,542	(10.7%)	(41.6%)
Results from non-current assets and non-continued operations	30	2,176	2,929	14.7%	(98.6%)
Other operating income	5,931	742	544	990.3%	(21.3%)
<b>Total operating income</b>	<b>547,558</b>	<b>556,489</b>	<b>489,203</b>	<b>11.9%</b>	<b>(1.6%)</b>
Personnel expenses	(91,020)	(95,465)	(97,214)	(6.4%)	(4.7%)
Administration expenses	(92,262)	(92,611)	(77,297)	19.4%	(0.4%)
Depreciation and amortization	(36,274)	(36,472)	(36,047)	0.6%	(0.5%)
Impairment of non-financial assets	-	(1,912)	-	—%	—%
Other operational expenses	(40,199)	(13,604)	(6,769)	493.9%	195.5%
<b>Total operating expenses</b>	<b>(259,756)</b>	<b>(240,064)</b>	<b>(217,327)</b>	<b>19.5%</b>	<b>8.2%</b>
<b>Operating income before credit losses</b>	<b>287,801</b>	<b>316,426</b>	<b>271,876</b>	<b>5.9%</b>	<b>(9.0%)</b>
Provisions for credit risk owed by banks and loans and accounts receivable from customers	(161,657)	(150,254)	(132,039)	22.4%	7.6%
Expense for special provisions for credit risk	1,325	(2,521)	(1,354)	(197.9%)	(152.6%)
Recovery of written off loans	30,983	31,643	20,314	52.5%	(2.1%)
Impairment due to credit risk of other financial assets at amortized cost and financial assets at fair value with changes in other comprehensive income	95	(178)	(1,169)	7.1%	(153.4%)
<b>Credit loss expense</b>	<b>(129,253)</b>	<b>(121,310)</b>	<b>(114,249)</b>	<b>13.1%</b>	<b>6.5%</b>
<b>Net income from ordinary activities before tax</b>	<b>158,548</b>	<b>195,115</b>	<b>157,627</b>	<b>0.6%</b>	<b>(18.7%)</b>
Income tax	(35,505)	(18,538)	(17,838)	(355.7%)	91.5%
<b>Consolidated profit for the period</b>	<b>123,043</b>	<b>176,578</b>	<b>139,789</b>	<b>(12.0%)</b>	<b>(30.3%)</b>
<b>Income attributable to shareholders</b>	<b>120,251</b>	<b>176,918</b>	<b>135,683</b>	<b>(11.4%)</b>	<b>(32.0%)</b>
<b>Income attributable to non-controlling interest</b>	<b>2,792</b>	<b>(340)</b>	<b>4,106</b>	<b>(32.0%)</b>	<b>(921.2%)</b>



Ch\$ Million	1Q23	2Q23	3Q23	4Q23	1Q24
<b>Loans</b>					
Consumer	5,340,598	5,411,859	5,440,518	5,598,350	5,636,621
Mortgage	16,029,868	16,407,126	16,650,160	17,073,439	17,269,588
Commercial	17,714,571	17,517,499	18,035,767	18,176,914	18,453,250
Interbank	32,873	25,799	13,000	68,440	1,316
<b>Total loans (includes interbank and FVOCI)</b>	<b>39,117,909</b>	<b>39,362,284</b>	<b>40,139,445</b>	<b>40,917,143</b>	<b>41,360,775</b>
Allowance for loan losses	(1,051,463)	(1,090,832)	(1,133,461)	(1,154,103)	(1,188,764)
<b>Total loans, net of allowances</b>	<b>38,066,446</b>	<b>38,271,452</b>	<b>39,005,984</b>	<b>39,763,040</b>	<b>40,172,011</b>
<b>Deposits</b>					
Demand deposits	13,806,513	13,272,010	12,904,084	13,537,826	13,508,867
Term deposits	14,265,830	14,892,389	15,651,236	16,137,942	16,908,024
<b>Total deposits</b>	<b>28,072,343</b>	<b>28,164,399</b>	<b>28,555,320</b>	<b>29,675,768</b>	<b>30,416,891</b>
Mutual funds (off balance sheet)	8,522,116	8,946,382	9,720,987	10,247,039	11,548,878
<b>Total Client Funds</b>	<b>36,594,459</b>	<b>37,110,781</b>	<b>38,276,307</b>	<b>39,922,807</b>	<b>41,965,769</b>
<b>Loans / Deposits<sup>1</sup></b>	<b>101.0%</b>	<b>100.5%</b>	<b>100.5%</b>	<b>98.9%</b>	<b>96.5%</b>
<b>Average balances</b>					
Average generating assets	49,616,961	50,646,978	51,262,755	52,494,159	54,060,364
Average loans	38,940,179	39,199,343	39,492,171	40,421,445	41,018,472
Average assets	68,951,373	69,154,233	69,913,353	71,512,696	73,377,886
Average demand deposits	14,012,059	13,789,558	12,973,642	13,080,310	13,635,065
Average assets	4,074,672	4,052,283	4,183,095	4,272,782	4,308,095
Average available funds (sight + equity)	18,086,732	17,841,841	17,156,737	17,353,093	17,943,161
<b>Capitalization</b>					
Risk Weighted Assets (RWA)	38,386,948	38,781,025	39,899,327	39,552,229	40,507,760
Capital (CET1)	4,015,590	4,247,994	4,275,569	4,397,881	4,209,225
AT1	744,073	750,899	818,358	608,721	683,598
Tier I	4,759,663	4,998,893	5,093,927	5,006,601	4,892,823
Tier II	1,767,221	1,793,465	1,746,535	1,972,132	2,000,722
Regulatory capital	6,526,885	6,792,358	6,840,461	6,978,733	6,893,544
<b>Core Capital ratio</b>	<b>10.5%</b>	<b>11.0%</b>	<b>10.7%</b>	<b>11.1%</b>	<b>10.4%</b>
<b>Tier I ratio</b>	<b>12.4%</b>	<b>12.9%</b>	<b>12.8%</b>	<b>12.7%</b>	<b>12.1%</b>
<b>Tier II ratio</b>	<b>4.6%</b>	<b>4.6%</b>	<b>4.4%</b>	<b>5.0%</b>	<b>4.9%</b>
<b>BIS ratio</b>	<b>17.0%</b>	<b>17.5%</b>	<b>17.1%</b>	<b>17.6%</b>	<b>17.0%</b>
<b>Profitability &amp; Efficiency</b>					
<b>Net Interest Margin (NIM)<sup>2</sup></b>	<b>2.2%</b>	<b>2.0%</b>	<b>1.6%</b>	<b>2.9%</b>	<b>2.7%</b>
Efficiency ratio <sup>3</sup>	44.4%	46.3%	54.1%	43.1%	47.4%
Costs / assets <sup>4</sup>	1.3%	1.3%	1.3%	1.3%	1.4%
Demand deposits avg. / interest earning assets	28.2%	27.2%	25.3%	24.9%	25.2%
<b>Return on average equity</b>	<b>13.3%</b>	<b>12.6%</b>	<b>5.4%</b>	<b>16.6%</b>	<b>11.2%</b>
Return on average assets	0.8%	0.7%	0.3%	1.0%	0.7%
Return on RWA	1.2%	1.5%	0.7%	1.3%	1.4%