FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

Commission File Number: 001-14554

Banco Santander Chile
Santander Chile Bank
(Translation of Registrant's Name into English)

Bandera 140
Santiago, Chile
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1	Interim Consolidated Financial Statements for the periods ending on June 30, 2022 and 2021 and on December 31 and opening balances as of January 1, 2021
99.2	Management Commentary As of June 30, 2022

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BANCO SANTANDER-CHILE

By:	/s/ Cristian Florence
Name:	Cristian Florence
Title:	General Counsel

Date: September 1, 2022

Exhibit 99.1

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the periods ending on June 30, 2022 and 2021 and on December 31 and opening balances as of January 1, 2021

Santander

INDEPENDENT AUDITOR'S REPORT
(A free translation from the original in Spanish)

Santiago, July 25, 2022

To the Shareholders and Directors
Banco Santander Chile

We have reviewed the accompanying consolidated interim financial statements of Banco Santander Chile and subsidiaries, which comprise the consolidated interim statements of financial position as of June 30, 2022, the consolidated interim statements of income and other comprehensive income for six-month periods ended June 30, 2022 and 2021, and the related consolidated interim statements of cash flows and changes in equity for the six-month periods then ended, and the related notes to the consolidated interim financial statements.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with accounting standards and instructions issued by the Financial Market Commission. This responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the consolidated interim financial statements in accordance with the applicable framework for preparation and presentation of financial information.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with Generally Accepted Auditing Standards in Chile applicable to reviews of interim financial information. A review of interim financial information consists mainly of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards in Chile, whose purpose is to express an opinion regarding the financial information. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the consolidated interim financial statements, mentioned in the first paragraph, to be in accordance with accounting standards and instructions issued by the Financial Market Commission.

Emphasis of Matter

As indicated in note 2, these interim consolidated financial statements have been prepared in accordance with the accounting standards and instructions of the new Compendium of Accounting Standards for Banks, issued by the Financial Market Commission for annual periods beginning on January 1, 2022. The impacts of adopting this new standard are described in note 4 "Accounting Changes".

Other matters in relation to the consolidated statement of financial position as of December 31, 2021

On February 25, 2022, we issued an unqualified opinion on the consolidated financial statements as of December 31, 2021 and 2020 of Banco Santander Chile and subsidiaries. Likewise, we have audited the adjustments arising from the retrospective application of the new Compendium of Accounting Standards for Banks, included in these interim consolidated financial statements for comparative purposes as of December 31, 2021.

DocuSigned by:

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Fernando Orihuela B.
RUT: 22.216.857-0

PricewaterhouseCoopers

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ASSETS	Note	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Cash and deposits in banks	7	2,890,381	2,881,558	2,803,288
Cash in the process of collection	7	507,463	390,271	452,963
Financial assets held for trading at fair value through profit or loss	**8**	**14,579,153**	**9,567,818**	**8,798,538**
Financial derivatives contracts		14,495,254	9,494,471	8,664,820
Debt financial instruments		83,899	73,347	133,718
Other		-	-	-
Non-trading financial assets mandatorily measured at fair value	9	-	-	-
Financial assets designated at fair value through profit or loss	10	-	-	-
Financial assets at fair value through other comprehensive income	**11**	**6,020,627**	**5,900,796**	**7,229,639**
Debt financial instruments		5,945,398	5,801,378	7,160,325
Other		75,229	99,418	69,314
Financial derivative contracts for hedge accounting	12	894,425	629,136	367,265
Financial assets at amortised cost	**13**	**41,722,123**	**40,262,257**	**33,364,443**
Rights under repurchase and securities lending agreements		-	-	-
Debt financial instruments		4,581,663	4,691,730	-
Interbank loans		12	428	18,920
Loans and accounts receivable from customers - Commercial		17,684,096	17,033,456	16,322,941
Loans and receivables from customers - Mortgage		14,617,466	13,802,214	12,350,544
Loans and receivables from customers - Consumer		4,838,886	4,734,429	4,672,038
Investment in companies	14	41,264	37,695	13,161
Intangible assets	15	93,326	95,411	82,537
Fixed assets	16	173,857	190,290	187,240
Assets with leasing rights	17	180,136	184,528	201,611
Current taxes	18	8,304	121,534	2,897
Deferred taxes	18	321,619	418,763	405,781
Other assets	19	3,424,993	2,932,813	1,689,107
Non-current assets and disposal groups for sale	20	26,769	22,207	49,749
TOTAL ASSETS		**70,884,440**	**63,635,077**	**55,648,219**

The accompanying notes form an integral part of the consolidated financial statements.

Banco Santander-Chile and Affiliates

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As of June 30, 2022	As of December 31, 2021	As of January 1, 2021
LIABILITIES	**Note**	**MCh$**	**MCh$**	**MCh$**
Cash in the process of collection	7	426,556	379,934	361,631
Financial liabilities held for trading at fair value through profit or loss	**21**	**14,222,893**	**9,507,031**	**8,569,523**
Financial derivatives contracts		14,222,893	9,507,031	8,569,523
Other		-	-	-
Financial liabilities designated at fair value through profit or loss	10	-	-	-
Financial derivative contracts for hedge accounting	12	2,382,889	1,364,210	449,137
Financial liabilities at amortised cost	**22**	**44,989,235**	**44,063,540**	**39,472,047**
Demand deposits and other demand liabilities		15,725,629	17,900,938	14,560,893
Time deposits and other term equivalents		11,893,299	10,131,055	10,581,791
Obligations under repurchase and securities lending agreements		811,731	86,634	969,808
Interbank borrowing		9,243,716	8,826,583	6,328,599
Debt financial instruments issued		7,013,641	6,935,423	6,846,638
Other financial liabilities		301,219	182,907	184,318
Obligations under leasing contracts	17	140,180	139,795	149,585
Financial instruments of regulatory capital issued	23	2,297,706	2,054,105	1,357,539
Provisions for contingencies	24	159,342	165,546	137,886
Provisions for dividends, payments of interest and reappreciation of financial instruments of issued regulatory capital	25	161,539	238,770	155,234
Special provisions for credit risk	26	294,596	288,995	150,678
Current taxes	18	1,995	-	15,874
Deferred taxes	18	1,836	91,463	430
Other liabilities	27	2,114,960	1,612,411	1,166,051
Liabilities included in disposal groups for sale	20	-	-	-
TOTAL LIABILITIES		**67,193,727**	**59,905,800**	**51,985,615**
EQUITY				
Capital	28	891,303	891,303	891,303
Reserves	28	2,871,772	2,557,816	2,350,837
Other comprehensive income accrued income	**28**	**(520,608)**	**(354,364)**	**(26,432)**
Items that will not be reclassified to profit or loss		592	576	879
Items that may be reclassified to profit or loss		(521,200)	(354,940)	(27,311)
Retained earnings (expense) from prior years		(13,765)	-	-
Profit (loss) for the year	28	521,257	778,933	517,447
Minus: provisions for dividends, interest payments and reappreciation of issued financial instruments of regulatory capital	28	(161,539)	(238,771)	(155,234)
Equity holders of the Bank		3,588,420	3,634,917	3,577,921
Non-controlling interest		102,293	94,360	84,683
TOTAL EQUITY		**3,690,713**	**3,729,277**	**3,662,604**
TOTAL LIABILITIES AND EQUITY		**70,884,440**	**63,635,077**	**55,648,219**

The accompanying notes form an integral part of the consolidated financial statements.

Banco Santander-Chile and Affiliates

INTERIM CONSOLIDATED STATEMENTS OF INCOME

		For the period of 6 months until June 30,		The quarter ended June 30,	
		2022	2021	2022	2021
	Note	MCh$	MCh$	MCh$	MCh$
Interest income	30	1,177,532	887,972	662,085	445,010
Interest expense	30	(824,396)	(147,060)	(530,757)	(69,933)
Net interest income	**30**	**353,136**	**740,912**	**131,328**	**375,077**
Readjustment income	31	682,943	166,192	447,648	84,097
Readjustment expenses	31	(78,527)	(49,606)	(48,891)	(25,386)
Net readjustment income	**31**	**604,416**	**116,586**	**398,757**	**58,711**
Commission income	32	346,064	268,758	173,935	135,707
Commission expense	32	(154,095)	(105,169)	(79,112)	(54,918)
Net commission income	**32**	**191,969**	**163,589**	**94,823**	**80,789**
Financial result per:					
Assets and liabilities for trading	33	(58,613)	7,029	(76,319)	(18,455)
Non-trading financial assets mandatorily measured at fair value through profit or loss	33	-	-	-	-
Financial assets and liabilities designated at fair value through profit or loss	33	-	-	-	-
Gain or loss on derecognition of financial assets and liabilities at amortised cost and financial assets at fair value through other comprehensive income	33	16,113	2,232	2,021	3,004
Foreign exchange, readjustments and hedge accounting of foreign currencies	33	141,756	60,029	116,696	55,529
Reclassifications of financial assets due to changes in business model	33	-	-	-	-
Other financial results	33	-	-	-	-
Net financial result	**33**	**99,256**	**69,290**	**42,398**	**40,078**
Results from investments in companies	34	4,393	925	3,033	622
Results of non-current assets and disposal groups not qualifying as discontinued operations	35	(1,953)	841	(1,053)	595
Other operating income	36	1,241	740	1,020	325
TOTAL OPERATING INCOME		**1,252,458**	**1,092,883**	**670,306**	**556,197**
Expenses from obligations to employee benefits	37	(208,797)	(200,659)	(111,251)	(103,789)
Administrative expenses	38	(144,102)	(135,686)	(73,059)	(66,264)
Depreciation and amortisation	39	(64,083)	(58,324)	(32,469)	(30,595)
Impairment of non-financial assets	40	-	-	-	-
Other operational expenses	36	(57,534)	(42,712)	(37,848)	(21,486)
OTHER OPERATIONAL EXPENSES		**(474,516)**	**(437,381)**	**(254,627)**	**(222,134)**
OPERATING INCOME BEFORE CREDIT LOSS		**777,942**	**655,502**	**415,679**	**334,063**

The accompanying notes form an integral part of the consolidated financial statements.

Banco Santander-Chile and Affiliates

INTERIM CONSOLIDATED STATEMENTS OF INCOME continued

		For the period of 6 months until June 30,		The quarter ended June 30,	
		2022	2021	2022	2021
	Note	MCh$	MCh$	MCh$	MCh$
Credit loss expenses due to:					
Provisions for credit risk due from banks and loans and receivables from customers	41	(202,695)	(169,003)	(116,081)	(88,768)
Special provisions for credit risk	41	(4,797)	(44,814)	(1,879)	(20,599)
Recovery of impaired loans	41	45,246	35,674	27,146	18,738
Impairment of the credit risk of other financial assets at amortised cost and financial assets at fair value in other comprehensive income	41	(356)	75	(341)	105
Credit loss expense	**41**	**(162,602)**	**(178,068)**	**(91,155)**	**(90,524)**
OPERATIONAL RESULT		**615,340**	**477,434**	**324,524**	**243,539**
Results from continuing operations before taxes		**615,340**	**477,434**	**324,524**	**243,539**
Income tax	18	(86,146)	(103,584)	(35,036)	(53,970)
Results from continuing operations after tax	**42**	**529,194**	**373,850**	**289,488**	**189,569**
Results from discontinued operations before taxes	**18**	**-**	**-**	**-**	**-**
Discontinued operations tax		-	-	-	-
Results from discontinued operations after tax	**42**	**-**	**-**	**-**	**-**
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (OR PERIOD)	**28**	**529,194**	**373,850**	**289,488**	**189,569**
Attributable to:					
Equity holders of the Bank	28	521,257	370,069	285,514	188,045
Non-controlling interest	28	7,937	3,781	3,974	1,524
Earnings per share attributable to equity holders of the Bank:					
Basic earnings	28	2.77	1.964	1.52	0.998
Diluted earnings	28	2.77	1.964	1.52	0.998

The accompanying notes form an integral part of the consolidated financial statements.

Banco Santander-Chile and Affiliates

INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

		For the period of 6 months until June 30,		The quarter ended June 30,	
		2022	2021	2022	2021
	Note	MCh$	MCh$	MCh$	MCh$
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD		**529,194**	**373,850**	**289,488**	**189,569**
Other comprehensive results for the year:					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
New measurements of the net defined benefit liability (asset) and actuarial results for other employee benefit plans		-	-	-	-
Changes in the fair value of equity instruments designated at fair value through other comprehensive income		(2)	(2)	62	7
Changes in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in the credit risk of the financial liability		-	-	-	-
Other		-	(302)	-	(314)
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	**28**	**(2)**	**(304)**	**62**	**(307)**
Income tax on other comprehensive results that will not be reclassified to profit or loss	18	1	82	(16)	83
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	**28**	**(1)**	**(222)**	**(46)**	**(224)**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	**28**				
Changes in the fair value of financial assets at fair value through other comprehensive income	28	(22,329)	(407,209)	(6,660)	(302,499)
Translation differences by foreign entities	28	-	-	-	-
Hedge accounting of net investments in foreign entities	28	-	-	-	-
Cash flow hedge accounting	28	(202,761)	(57,749)	(94,585)	16,862
Undesignated elements of hedge accounting instruments	28	-	-	-	-
Other	28	(818)	(838)	(1,155)	(853)
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	**28**	**(225,908)**	**(465,796)**	**(102,400)**	**(286,490)**
Income taxes on other comprehensive income that may be reclassified to profit or loss	18	59,646	125,765	27,647	77,344
TOTAL OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	**28**	**(166,262)**	**(340,031)**	**(74,753)**	**(209,146)**
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	**28**	**(166,263)**	**(340,253)**	**(74,706)**	**(209,370)**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	**28**	**362,931**	**33,597**	**214,782**	**(19,801)**
Attributable to:					
Equity holders of the Bank		355,013	30,037	210,813	(21,212)
Non-controlling interest		7,918	3,560	3,969	1,411

The accompanying notes form an integral part of the consolidated financial statements.

Banco Santander-Chile and Affiliates

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the periods ending on

		As of June 30,	
		2022	2021
	Notes	MCh$	MCh$
CASH FLOWS FROM OPERATING ACTIVITIES:			
CONSOLIDATED PRE-TAX INCOME FOR THE PERIOD		**615,340**	**373,850**
Non-cash charges (credits) to profit or loss:		**(186,125)**	**(625,280)**
Depreciation and amortisation	39	64,083	58,324
Impairment of non-financial assets	40	-	-
Provisions for asset risk	41	207,848	213,742
Fair value adjustments transferred to profit or loss		438	153
Results from investments in companies	34	(4,393)	(897)
Results from the sale of goods received in payment or awarded in a judicial auction	35	(3,622)	(7,773)
Provisions for assets received in payment	35	123	244
Profit/loss on sale of shareholding in other companies		-	-
Profit on sale of fixed assets	35	(145)	(176)
Penalty of assets received in lieu of payment	35	7,676	6,254
Net interest income	30	(353,136)	(857,498)
Net commission income	31	(191,969)	(163,589)
Other non-cash charges (credits) to profit or loss		18,603	8,280
Changes in deferred tax assets and liabilities	15	68,369	117,656
Increase/decrease in operating assets and liabilities		**457,991**	**4,560,222**
Decrease (increase) in loans and receivables from customers		(1,522,582)	(280,007)
Decrease (increase) in financial investments		(356,072)	181,132
Decrease (increase) from repurchase agreements (assets)		-	-
Decrease (increase) of interbank loans		415	11,287
Decrease (increase) in assets received or awarded in payment		(115)	2,571
Increase (decrease) in creditors in current accounts		(1,547,856)	2,657,563
Increase (decrease) in deposits and time deposits		1,762,243	1,174,016
Increase (decrease) in liabilities to domestic banks		36,261	(117,101)
Increase (decrease) in other deposits and sight accounts		(459,607)	322,878
Increase (decrease) in liabilities to foreign banks		591,474	854,864
Increase (decrease) in obligations to the Central Bank of Chile		(210,601)	947,556
Increase (decrease) in repurchase contracts (liabilities)		725,097	(910,947)
Increase (decrease) in other financial obligations		118,313	30,116
Net increase in other assets and liabilities		171,359	(1,335,299)
Interest and readjustments received		1,860,475	1,054,164
Interest and readjustments paid		(902,923)	(196,666)
Dividends received from investments in companies		141	506
Fees and commissions received		346,064	268,758
Fees and commissions paid		(154,095)	(105,169)
Total cash flow provided by (used in) operating activities		**887,206**	**4,308,792**

The accompanying notes form an integral part of the consolidated financial statements.

Banco Santander-Chile and Affiliates

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS continued

For the periods ending on

	June 30, 2022 MCh$	June 30, 2021 MCh$
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchases of property, plant and equipment	(5,328)	(18,124)
Sales of property, plant and equipment	1,381	1,601
Purchase of intangible assets	(17,710)	(18,437)
Sales of intangible assets	-	-
Total cash flow provided by (used in) investment activities	**(21,657)**	**(34,960)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Attributable to shareholders' interest:		
Subordinated bond placement	361,863	-
Redemption of subordinated bonds and interest payments	(7,096)	-
Dividends paid	(464,975)	(310,468)
Redemption and payment of interest/letters of credit capital	(1,905)	(2,637)
Placement of current bonds	142,644	609,431
Redemption and payment of interest/principal on mortgage bonds	(3,297)	(3,228)
Redemption and payment of interest/current bond capital	(756,006)	(452,300)
Placement of bonds without fixed maturity	-	600,936
Redemption and payment of interest/bonds without fixed maturity capital	(13,765)	-
Interest payments/capital lease obligations	(11,905)	(22,691)
Attributable to non-controlling interest:		
Payment of dividends and/or withdrawals of capital paid respectively to the subsidiaries corresponding to the non-controlling interest	-	-
Total cash flows used in financing activities	**(754,442)**	**419,043**
D - NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**111,107**	**4,692,875**
E - EFFECTS OF FOREIGN EXCHANGE RATE FLUCTUATIONS	**(21,377)**	**12,576**
F - INITIAL BALANCE OF CASH AND CASH EQUIVALENTS	**2,881,558**	**2,894,620**
FINAL BALANCE OF CASH AND CASH EQUIVALENTS	**2,971,288**	**7,600,071**

The accompanying notes form an integral part of the consolidated financial statements.

Reconciliation of provisions for the Interim Consolidated Statements of Cash Flows for the periods ended	Note	June 30, 2022 MCh$	June 30, 2021 MCh$
Provision for loan loss for cash-flow purposes		207,848	213,742
Recovery of impaired loans		(45,246)	(35,674)
Net provision for loan loss	41	**162,602**	**178,068**

Reconciliation of liabilities arising from financing activities	31.12.2021	Cash Flow	Changes other than cash				30.06.2022
			Acquisition	Foreign Currency Movement	UF Movement	Fair Value Changes	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Subordinated Bonds	1,461,121	354,767	-	-	(158,178)	-	1,657,710
Senior bonds	6,846,834	(613,362)	-	-	692,806	-	6,926,278
Mortgage bonds	81,110	(3,297)	-	-	3,976	-	81,789
Bonds without fixed maturity	592,648	(13,765)	-	61,113	-	-	639,996
Dividends paid	-	(464,975)	-	-	-	-	(464,975)
Obligations under leasing contracts	139,795	(11,905)	-	-	12,290	-	140,180
Total liabilities from financing activities	9,121,508	(752,537)	-	61,113	550,894	-	8,980,978

Banco Santander-Chile and Affiliates

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended June 30, 2022, and December 31, 2021

	Equity attributable to shareholders										
		Reserves		Other comprehensive income accrued income			Accrued profits and profits corresponding to the period				
	Capital	Reserves and other retained earnings	Merger of companies under common control	Changes in fair value of financial assets at fair value through OCI	Cash flow hedge	Income tax	Retained profits from previous periods	Profits of the year (**)	TOTAL	Non-controlling interest (*)	Total Equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Closing balances as of December 31, 2020, before restatement as of January 1, 2021	891,303	2,344,210	(2,224)	98,976	(136,765)	10,203	517,447	(155,234)	3,567,916	84,683	3,652,599
Effects of changes in accounting policies	-	8,851	-	1,582	-	(428)	-	-	10,005	-	10,005
Opening balances as of January 1, 2021	891,303	2,353,061	(2,224)	100,558	(136,765)	9,775	517,447	(155,234)	3,577,921	84,683	3,662,604
Payment of common stock dividends	-	-	-	-	-	-	(310,468)		(310,468)	-	(310,468)
Reserves of income from the previous period	-	206,979	-	-	-	-	(206,979)		-	-	-
Provision for payment of common stock dividends	-	-	-	-	-	-	-	(78,542)	(78,542)	-	(78,542)
Provision for interest payments on bonds with no fixed term to maturity	-	-	-	-	-	-	-	(4,995)	(4,995)	-	(4,995)
Subtotal: Transactions with shareholders during the period	-	206,979	-	-	-	-	(517,447)	(83,537)	(394,005)	-	(394,005)
Profit for the year (period)	-	-	-	-	-	-	-	778,933	778,933	9,961	788,894
Other comprehensive income for the year	-	-	-	(214,254)	(236,816)	123,138		-	(327,392)	(284)	(328,216)
Subtotal: Comprehensive income for the year	-	-	-	(214,254)	(236,816)	123,138	-	778,933	451,001	9,677	460,678
Closing balance as of December 31, 2021	891,303	2,560,040	(2,224)	(113,696)	(373,581)	132,913	-	540,162	3,634,917	94,360	3,729,277
Opening balances as of January 1, 2022	891,303	2,560,040	(2,224)	(113,696)	(373,581)	132,913	778,933	(238,771)	3,634,917	94,360	3,729,277
Payment of common stock dividends	-	-	-	-	-	-	(464,975)	-	(464,975)	-	(464,975)
Reserves of income from the previous period	-	313,956	-	-	-	-	(313,958)	-	(2)	-	(2)
Provision for payment of common stock dividends	-	-	-	-	-	-	-	76,111	76,111	-	76,111
Provision for interest payments on bonds with no fixed term to maturity	-	-	-	-	-	-	(13,765)	1,121	(12,644)	-	(12,644)
Other movements	-	-	-	-	-	-	-	-	-	15	15
Subtotal: Transactions with shareholders during the period	-	313,956	-	-	-	-	(792,698)	(77,232)	(401,510)	15	(401,495)
Profit for the year (period)	-	-	-	-	-	-	-	521,257	521,257	7,937	529,194
Other comprehensive income for the year	-	-	-	(23,124)	(202,761)	59,641	-	-	(166,244)	(19)	(166,263)
Subtotal: Comprehensive income for the year	-	-	-	(23,124)	(202,761)	59,641	-	521,257	355,013	7,918	362,931
Closing balance as of June 30, 2022	891,303	2,873,996	(2,224)	(136,820)	(576,342)	192,552	(13,765)	359,718	3,588,420	102,293	3,690,713

(*) See Note 02 letter b for non-controlling interest.
(**) Contains profit for the year and provisions for dividends, interest payments and reappreciation of issued financial instruments of regulatory capital.

Period	Profit attributable to equity holders MCh$	Allocated to reserves MCh$	Allocated to dividends MCh$	Percentage Distribution %	Number of shares	Dividend per share (In MCh$)
Year 2021 (Shareholders Meeting April 2022)	774,959	309,984	464,975	60	188,446,126,794	2.467
Year 2020 (Shareholders Meeting April 2021)	517,447	206,979	310,468	60	188,446,126,794	1.647

The accompanying notes form an integral part of the consolidated financial statements.

NOTE 01 - BACKGROUND OF THE INSTITUTION

Banco Santander-Chile is a banking corporation, organised under the laws of the Republic of Chile, supervised by the Financial Market Commission (FMC) and subject to the supervision of the Securities and Exchange Commission of the United States of America (SEC), as the Bank is listed on the New York Stock Exchange (NYSE), through an American Depositary Receipt (ADR) programme.

Banco Santander Spain controls Banco Santander Chile through its shareholdings in Teatinos Siglo XXI Inversiones SA and Santander Chile Holding SA, both of which are subsidiaries controlled by Banco Santander Spain. As of June 30, 2022, Banco Santander Spain directly or indirectly owns 99.5% of Santander Chile Holding SA and 100% of Teatinos Siglo XXI Inversiones SA, which gives Banco Santander Spain control over 67.18% of the Bank's shares.

The Bank provides a wide range of general banking services to its customers, from individuals to large corporations. In addition, Banco Santander-Chile and its affiliates (collectively referred to as 'Bank' or 'Santander-Chile' hereafter) offer consumer and commercial banking services, as well as other services, including factoring, collection, leasing, securities and insurance brokerage, mutual and investment funds, investment fund management and investment banking.

The Bank's legal address is Calle Bandera N°140 Santiago de Chile, and its website is www.santander.cl

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

These Interim Consolidated Financial Statements have been prepared following the Compendium of Accounting Standards for Banks (CNCB), in its version applicable as of January 2022, as well as the instructions issued by the Financial Market Commission (FMC). The FMC, under Law No. 21000, provides in article 5.6 that the Financial Market Commission may set the rules for the preparation and presentation of the annual reports, balance sheets, statements of financial position and other financial statements of the supervised entities and determine the principles according to which they must keep their accounts. Regarding all matters that are not covered by this regulation, if they do not conflict with its instructions, then they must adhere to generally accepted accounting criteria corresponding to the technical standards issued by the Chilean Association of Accountants AG, which coincide with the International Financial Reporting Standards (IFRS) agreed by the International Accounting Standards Board (IASB). In case of discrepancies between the accounting principles and the accounting criteria issued by the FMC in its Compendium of Accounting Standards for Banks and instructions, the latter shall prevail.

For these Interim Consolidated Financial Statements, the Bank uses certain currency terms and conventions. For example, 'USD' stands for 'US dollar', 'EUR' stands for 'euro', 'CNY' stands for 'Chinese yuan', 'JPY' stands for 'Japanese yen', 'CHF' stands for 'Swiss franc', 'AUD' stands for 'Australian dollar' and 'UF' stands for 'Unidad de Fomento de Chile'.

The notes in the Interim Consolidated Financial Statements contain information in addition to that presented in the Interim Consolidated Statements of Financial Position, Interim Consolidated Income Statements, Interim Consolidated Statements of Other Comprehensive Income, Interim Consolidated Statements of Changes in Equity and Interim Consolidated Statements of Cash Flows. They provide narrative descriptions or disaggregation of such states in a clear, relevant, reliable and comparable manner.

b. Basis of preparation for the Consolidated Financial Statements

The Interim Consolidated Financial Statements as of June 30, 2022, and 2021 and December 31, 2021, incorporate the individual financial statements of the Bank and those of companies over which the Bank exerts control (affiliates) and include the adjustments, reclassifications and eliminations necessary to comply with the accounting and measurement criteria established by IFRS 10 'Interim Consolidated Financial Statements'. Control is achieved when the Bank:

a. Has power over the investee (that is, it has rights that grant it the present capacity to manage the relevant activities of the investee);
b. Has exposure or rights to variable returns from its involvement with the investee; and
c. Has the ability to use its power over the investee to influence the amount of the investor's returns.

The Bank reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. For example, when the Bank has less than most of the voting rights in an investee, but those voting rights are sufficient to have the ability to direct
the relevant activities unilaterally, it is concluded that the Bank has control. The Bank considers all relevant facts and circumstances in assessing whether the Bank's voting rights in an investee are sufficient to give it power. These include:

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. The size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
2. The potential voting rights held by the Bank, other vote holders or other parties.
3. The rights arising from other contractual agreements
4. Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Bank obtains control of the subsidiary and ceases when the Bank cedes control. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the Interim Consolidated Statements of Income and Interim Statements of Other Comprehensive Income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

Profit or loss alongside each component of the Interim Consolidated Statements of Other Comprehensive Consolidated Income is attributed to the Bank's holders and non-controlling interest. The total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit in certain circumstances.

When necessary, adjustments are made to the financial statements of the subsidiaries to ensure their accounting policies are consistent with the Bank's accounting policies. All balances and transactions between consolidated entities are eliminated.

Changes in the consolidated entities' participation that do not result in the loss of control are accounted for as equity transactions. Accordingly, the equity carrying value of the Bank holders and the non-controlling interests are adjusted to reflect the changes in participation over subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration being paid or received is recognised directly in equity and attributed to the owners of the Bank.

The non-controlling interest represents the participation of third parties in the Bank's consolidated equity, which is presented in the Interim Consolidated Statements of Changes in Equity. Their share of the result for the year is shown as 'Profit attributable to non-controlling interest' in the Interim Consolidated Statements of Income.

The following table shows the composition of the entities over which the Bank can exercise control and, therefore, belong to the consolidation perimeter in such capacity:

d. Entities controlled by the Bank through participation in equity

			Percentage of ownership								
		Place of	As of June 30, 2022			As of December 31, 2022			As of June 30, 2021		
		Incorporation	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
	Main Activity	And Operation	%	%	%	%	%	%	%	%	%
Santander Corredora de Seguros Limitada	Insurance brokerage	Santiago, Chile	99.75	0.01	99.76	99.75	0.01	99.76	99.75	0.01	99.76
Santander Corredores de Bolsa Limitada	Brokerage of financial instruments	Santiago, Chile	50.59	0.41	51.00	50.59	0.41	51.00	50.59	0.41	51.00
Santander Asesorias Financieras Limitada	Securities brokerage	Santiago, Chile	99.03	-	99.03	99.03	-	99.03	99.03	-	99.03
Santander SA Sociedad Securitizadora	Acquisition of loans and issuance of debt securities	Santiago, Chile	99.64	-	99.64	99.64	-	99.64	99.64	-	99.64
Klare Corredora de Seguros SA	Insurance brokerage	Santiago, Chile	50.10	-	50.10	50.10	-	50.10	50.10	-	50.10
Santander Consumer Finance Limitada	Automotive financing	Santiago, Chile	51.00	-	51.00	51.00	-	51.00	51.00	-	51.00
Sociedad Operadora de Tarjetas de Pago Santander Getnet Chile SA	Card Operator	Santiago, Chile	99.99	0.01	100.00	99.99	0.01	100.00	-	-	-

Details of non-controlling interests are shown in Note 28 Equity letter g) non-controlling interest (minority interests).

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

e. Entities controlled by the Bank through other considerations

The following companies have been consolidated based on the fact that their relevant activities are determined by the Bank (these are companies complementary to the banking sector), and therefore, over which the Bank exercises control:

a. Santander Gestión de Recaudación y Cobranza Limitada: its exclusive activity is the administration and collection of loans.
b. Banca Santander SA: its central activity is the financing of revolving inventory lines for automotive dealers.
c. Multiplica SpA: its primary purpose is the development of incentive programmes that encourage the use of payment cards.

3. Associated entities

An associate is an entity over which the Bank can exercise significant influence but not control or joint control. This capacity usually involves 20% or more interest in the entity's voting rights and is accounted for using the equity method under IAS 28.

The following entities in which the Bank has an interest and are recognised using the equity method are considered 'associates':

			Percentage of ownership		
		Place of incorporation and operation	As of 30 June, 2022	As of 31 December 2021	As of 30 June, 2021
Associates	**Main Activity**		%	%	%
Redbanc SA	ATM service	Santiago, Chile	33.43	33.43	33.43
Transbank SA	Debit and credit card service	Santiago, Chile	25.00	25.00	25.00
Centro de Compensación Automatizado SA	Electronic fund transfer and compensation services	Santiago, Chile	33.33	33.33	33.33
Sociedad Interbancaria de Depósito de Valores SA	Repository of publicly offered securities	Santiago, Chile	29.29	29.29	29.29
Cámara Compensación de Alto Valor SA	Payment clearing	Santiago, Chile	15.00	15.00	15.00
Administrador Financiero del Transantiago SA	Administration of smart cards for public transportation	Santiago, Chile	20.00	20.00	20.00
Servicios de Infraestructura de Mercado OTC SA	Administration of the infrastructure for the financial market of derivative instruments	Santiago, Chile	12.48	12.48	12.48

Until November 2021, Transbank and Redbanc were classified as held for sale. However, due to the global pandemic, the absence of buyers and following the IFRS 5, the companies were reclassified as Investments in associates and valued at the proportional equity.

In the case of the Cámara Compensación Alto Valor SA, Santander-Chile has a representative participating in its Board of Directors. Management has concluded that this entails an exercise of significant influence over the latter.

In the case of Servicios de Infraestructura de Mercado OTC SA, the Bank participates actively in its administration through its executives, which is why Management has concluded that it exercises significant influence over it.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

d. Share or rights in other companies

Entities over which the Bank has no control or significant influence are presented in this category. These equity instruments must be measured in compliance with IFRS 9 at fair value. Nevertheless, the Bank may consider the cost involved as an appropriate fair value estimate in concrete circumstances. This may be the case if the most recently available information is insufficient to measure the fair value or if there is a wide range of possible fair value measurements and the cost involved represents the best estimate of fair value within that range.

In another regard, the Bank may make an irrevocable decision to present subsequent changes to the fair value in other comprehensive income during its initial recognition. Subsequent changes in this valuation shall be recognised in 'Other comprehensive income accrued - Items that will not be reclassified to profit or loss'. Dividends received from these investments are recorded in the Consolidated Statement of Income under 'Result from investments in companies'. These instruments are not subject to the IFRS 9 impairment model.

c. Non-controlling interest

Non-controlling interest represents the portion of net income and net assets that the Bank does not own, either directly or indirectly. It is presented as 'Attributable to owners of the Bank' separately in the Interim Consolidated Statements of Income and separately from the equity in the Interim Consolidated Statements of Financial Position.

In the case of entities controlled by the Bank through other considerations, profit and equity are presented fully as a non-controlling interest. This is because the Bank controls them but has no ownership expressed as a percentage.

d. Reporting segments

The Bank's operating segments are those units whose operating results are reviewed regularly by the highest authority in terms of decision-making. Accordingly, two or more operating segments can be added into one only when the aggregation is consistent with the basic principle under the IFRS 8 'Operating Segments' and if the segments have similar economic characteristics and are alike in each one of the following aspects:

a. The nature of the products and services.
b. The nature of production processes.
c. The type of customer category for which its products and services are intended.
d. The methods used to distribute their products or provide services.
e. If applicable, the nature of the regulatory framework, e.g., banking, insurance, utilities.

The Bank reports separately for each operating segment that meets any of the following quantitative thresholds:

a. Its reported revenues from ordinary activities, including both sales to external customers and intersegment sales or transactions, equal or exceed 10% of the combined revenues from all operating segments' ordinary internal and external activities.
b. The amount of its reported results is, in absolute terms, equal to or greater than 10% of the greater of (i) the combined profit reported by all operating segments that have not reported a loss; and (ii) the combined loss reported by all operating segments that have reported a loss.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Its assets equal or exceed 10% of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable segments. The information must be disclosed separately if management believes it would be helpful to Interim Consolidated Financial Statements users.

Information regarding other business activities that do not correspond to reportable segments is combined and disclosed within the Corporate Activities category 'other'.

Concerning the above presented, the Bank's segments were obtained under the consideration that an operating segment is a component of an entity that:

a. Engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses from transactions with other elements of the same entity).
b. Whose operating results are regularly reviewed by the entity's chief executive officer, who makes decisions about resources allocated to the segment and assesses its performance.
c. For which discrete financial information is available.

e. Functional and presentation currency

The Bank, in 'The Effects of Changes in Foreign Exchange Rates' in IAS 21, has defined the Chilean Peso as its functional and presentation currency, as it is the currency of the primary economic environment in which the Bank operates, as well as the currency that influences in the cost and revenue structure. Therefore, all balances and transactions denominated in currencies other than the Chilean Peso are considered 'foreign currency'.

Foreign currency transactions

The Bank conducts transactions in amounts denominated in foreign currencies, mainly US dollars. The assets and liabilities denominated in foreign currencies held by the Bank and its affiliates are translated into Chilean Pesos at the market exchange rate corresponding to the end of the reported month (discounted spot rate), which amounted to $922,12 per US$ for June 2022 ($718.84 per US$ for March 2021 and $854.48 for December 2021).

The amount of net foreign exchange gain and loss includes recognising the effects of exchange rate changes on assets and liabilities denominated in foreign currencies and the profit and loss on foreign exchange spot and forward transactions undertaken by the Bank.

f. Cash and cash equivalents

In order to prepare the Interim Consolidated Cash Flow Statements, the indirect method is used. This one starts with the Bank's consolidated pre-tax income and incorporates non-cash transactions, cash-flows-related income, and expenses of activities classified as investments or financing.

The following items are taken into consideration in the preparation of the Interim Consolidated Cash Flow Statements:

a. Cash flows: inflows and outflows of cash and cash equivalents, defined as balances in items such as deposits with the Central Bank of Chile, deposits in domestic banks and deposits abroad.

b. Operating activities: these are the normal activities carried out by banks alongside other activities that cannot be classified as investments or financing.

c. Investing activities: these correspond to the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

d. Financing activities: activities that result in changes to the size and composition of equity and liabilities which are not part of operating or investing activities.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

g. Definitions, classification and measurement of financial assets/liabilities

1. Definitions

A financial instrument' is any contract that gives rise to a financial asset in an entity and a financial liability or equity instrument in another entity.

A 'financial asset' is any asset that is: (a) cash; (b) an equity instrument of another entity; (c) a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or (d) a contract that will or may be settled using the entity's own equity instruments.

A 'financial liability' is any liability that is: (a) a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled using the entity's equity instruments.

An 'equity instrument' is any contract that evidences a residual interest in the assets of the issuing entity after deducting all of its liabilities.

A 'financial derivative' is a financial instrument whose value fluctuates in response to changes concerning an observed market variable (such as an interest rate, a foreign exchange rate, a financial instrument's price, or a market index, including credit ratings), whose initial investment is minimal compared with other financial instruments with a similar response to changes in market factors, and which is generally settled at a future date.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date.

2. Initial recognition

The Bank shall recognise a financial asset or financial liability only when it becomes part of the contractual terms of the instrument (rights and obligations).

A conventional purchase or sale of financial assets shall be recognised using trade date accounting or settlement date accounting.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Classification of financial assets/liabilities

Classification of financial assets

Financial assets shall be classified into measurement categories based on the entity's business models for managing the financial assets and the contractual cash flow characteristics of said assets.

The business model refers to how the Bank manages its financial assets to generate cash flows. In other words, the entity's business model determines whether the cash flows will come by obtaining contractual cash flows, selling financial assets, or both.

The assessment of the contractual flow characteristics (SPPI test) requires determining whether the asset's contractual flows are solely payments of principal on specified dates and interest on the principal outstanding amounts in the currency in which the financial asset is denominated. The principal is the fair value of the financial asset at initial recognition. Nevertheless, the principal amount may change over the life of the financial asset (if there are principal repayments). Interest is the compensation received for the time value of money and the credit risk related to the principal amount owed over a specified period, alongside other basic lending risks such as administrative costs and a profit margin.

For the assessment, the Bank conducted a test evaluating whether the contractual flows meet the criteria for a core lending arrangement. The Bank uses its professional assessment and considers relevant factors such as currency, interest rate (fixed or variable) and the period it sets.

The assessment of business models is not an instrument-by-instrument ranking approach but at a higher level of aggregation and considers all relevant evidence: model performance, risks affecting performance, and how managers are rewarded, among others.

According to the above, the objectives of the business models are:

a. To hold assets to collect cash flows – through management that produces cash flows by collecting contractual payments throughout the instrument's life. Models with this goal allow for sales if they are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent), and even more so if they result from a substantial increment in risk or in the risk management of credit concentration.

b. To hold for collection and sale of financial assets - under this objective, the entity's key management personnel have decided that the supply of contractual cash flows and the sale of financial assets are essential to achieve the business model objective. Therefore, there is a higher frequency and value of sales for this purpose.

c. Other models - financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold the assets in order to collect contractual cash flows or if their objective is achieved by obtaining contractual cash flows and selling financial assets. Assets are managed on a sales basis, and decisions are made on a fair value basis.

The Bank classifies its financial assets depending on whether they are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

Furthermore, at initial recognition of investments in equity instruments, an irrevocable decision can be made to present subsequent changes in fair value into other comprehensive income.

Due to the exceptional changes that have taken place in the market's liquidity, and which should remain in the short and medium-term, the need arose for the Bank to maintain collateral with a maturity in the range of 2024 to 2026. This is due to the constitution of guarantees related to the Central Bank's Credit Facility Conditional to Incremental Flexibility programme (FCIC) and the demand to constitute larger technical reserves due to the increase in the balances held by the Bank's customers. Therefore, the Bank determined to create

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

A new business model called 'Held to collect investments' aims to better manage these higher levels of liquidity. The Bank also has both the intention and the ability to hold them to maturity.

Classification of financial liabilities
An entity shall classify all financial liabilities as subsequently measured at amortised cost, except for derivative liabilities measured at fair value through profit or loss.

Reclassifying
Reclassifying only occurs when the business model for managing financial assets is changed. These changes are determined by top management due to external or internal changes. Financial liabilities are not reclassified.

d.Measurement of financial assets/liabilities

Initial measurement

Financial assets and liabilities are initially measured at fair value (transaction price), plus or minus transaction costs in the case of a financial asset or financial liability that is not carried at fair value through profit or loss.

Subsequent measurement of financial assets

A financial asset shall subsequently be measured according to the:

a. Amortised cost
A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets to earn cash flows and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income shall be calculated using the effective interest method. This method applies to financial assets and liabilities measured at amortised cost (interest income and interest expense). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or the amortised cost of a financial liability.

b. Fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets and if the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Fair value through profit or loss
A financial asset is measured at fair value through profit or loss unless measured at amortised cost or at fair value through other comprehensive income.

d. Irrevocable election to measure at fair value with changes in other comprehensive income
Upon initial recognition of an investment in equity instruments, an election may be made to present subsequent changes in fair value in other comprehensive income that would otherwise be measured at fair value through profit or loss when not held for trading, except for dividend income, which is recognised in profit or loss. Gains or losses arising from the derecognition of these equity instruments are not transferred to profit or loss.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortised cost, except for derivatives measured at fair value through profit or loss.

1. Derecognition of financial assets/liabilities

A financial asset shall be derecognised when, and only when:

a. The contractual rights to the cash flow from the financial asset expire, or
b. It transfers the contractual rights to receive the cash flows of a financial asset or retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay them to one or more recipients. Otherwise, if the risks and rewards of ownership of the financial asset are substantially transferred, the financial asset is derecognised.

In the case of unconditional sales, repurchase agreements sales at fair value on the selling date, sales of financial assets with acquired or issued deep-out-of-money call or put options, use of assets in which the transferor does not retain subordinated financing, nor it grants any credit enhancement to the new owners, and in other similar cases, the transferred financial asset is derecognised from the Interim Consolidated Statement of Financial Position with simultaneous recognition of any rights or obligations retained or created as a result of the transfer.

In the case of sales of financial assets under fixed-price repurchase agreements or using the sale price plus interest of securities lending agreements in which the borrower must return the same or similar assets and in other akin cases, the transferred financial asset is not derecognised from the Interim Consolidated Statements of Financial Position and continues to be measured on the same basis as before the transfer.

A financial liability is derecognised when, and only when it is extinguished – that is, when the obligation specified in the contract is discharged, cancelled, or expired.
In the case of loans, the FMC requirements for derecognition apply. See letter q), VIII.

5. Offsetting a financial asset with a financial liability

A financial asset and a financial liability shall be offset and presented by their net amount in the statement of financial position when, and only when, there is at the moment a legally enforceable right to set off the recognised amounts and an intention to settle the net amount or to realise the asset and settle the liability simultaneously. As of June 31, 2022, and 2021 and from December 31, 2021, the Bank has no financial assets/liabilities offsets.

h. Financial derivatives and accounting hedges

Derivatives are classified as either trading instruments or hedging instruments.

The Bank uses financial derivatives for the following purposes:
a. To provide such instruments to customers who request them to manage their market and credit risks.
b. To use them for the risk management of the proprietary position of the Bank's entities and their assets and liabilities ('hedging derivatives').
c. To benefit from changes in the value of these derivatives (trading derivatives).

Trading derivatives are measured at fair value through profit or loss and are presented as assets/liabilities according to their positive or negative fair value. Derivatives that do not qualify as hedging instruments are accounted for as trading instruments.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Bank has elected to continue to use the IAS 39 guidelines for hedge accounting. For a financial derivative to be considered a hedging derivative, all the following conditions must be met:

1. To cover one of the following three types of risk:
   a. Changes in the value of assets and liabilities due to fluctuations in, among other things, inflation (UF), interest rates and/or exchange rates to which the position or balance to be hedged is subject ('fair value hedging').
   b. Changes in the estimated cash flows arising from financial assets and liabilities, commitments and highly probable forecast transactions ('cash flow hedges').
   c. The net investment in a foreign operation ('hedge of a net investment in a foreign operation').

2. To effectively eliminate some risk inherent in the hedged item or position for the entire expected term of the hedge, which entails that:
   a. At the date of arrangement, the hedge is expected, under normal conditions, to be highly effective ('prospective effectiveness').
   b. There is sufficient evidence that the hedge was effective during the life of the hedged item or position ('retrospective effectiveness').

3. There must be adequate documentation evidencing the specific designation of the financial derivative to hedge certain balances or transactions and how this effective hedge was expected to be achieved and measured, provided that this is consistent with the Bank's management of its risks.

The changes in the value of financial instruments qualifying for hedge accounting are recorded as follows:

a. For fair value hedges, the gains or losses arising on both hedging instruments and the hedged items (attributable to the type of risk being hedged) are included as 'Net income (expense) from financial operations' in the Consolidated Statement of Income.
b. For fair value hedges of interest rate risk on a portfolio of financial instruments, gains or losses that arise in measuring hedging instruments and other gains or losses due to fair value changes of the underlying hedged item (attributable to the hedged risk) are recorded in the Consolidated Financial Statement of Income under 'interest and indexation income'.
c. For cash flow hedges, the effective portion of the change in the value of the hedging instrument is recorded in the Consolidated Statements of Other Comprehensive Income in 'Valuation accounts - cash flow hedges' within equity.
d. Differences in the valuation of the hedging instrument corresponding to the ineffective portion of cash flow hedging transactions are taken directly to the Consolidated Income Statements in 'Net income from financial operations'.

If a derivative designated as a hedge, whether due to termination, ineffectiveness or any other cause, does not meet the above requirements, hedge accounting is discontinued. When 'fair value hedging' is discontinued, the fair value adjustments to the carrying amount of the hedged item arising from the hedged risk are amortised to gain or loss from that date, when applicable.

When cash flow hedges are discontinued, the cumulative gain or loss on the hedging instrument recognised in the Consolidated Statements of Other Comprehensive Income in equity 'Valuation Accounts' (while the hedge was effective) continues to be recognised in equity until the hedged transaction occurs. At that time, it is recognised in the Consolidated Statements of Income unless the transaction is not expected to occur, in which case it is recognised immediately in the Consolidated Statements of Income.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Embedded derivatives in hybrid financial instruments

'Embedded derivatives' is a hybrid contract component that simultaneously includes a host contract that is not a derivative and a financial derivative that is not individually transferable. It has the effect that some of the cash flows of the hybrid contract vary in the same way as would the embedded derivative taken alone. As of June 31, 2022, 2021, and December 31, 2021, Banco Santander-Chile did not hold any embedded derivatives in its portfolio.

i. Fair value of financial assets and liabilities

No transaction costs are deducted when financial assets and liabilities are measured at fair value. Assets and liabilities subsequently measured at amortised cost are not required to be measured at fair value.

'Fair value' is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value measurement is for a specific asset or liability. Therefore, in measuring fair value, the Bank considers the characteristics of the asset or liability in the same way that market participants would consider in pricing the asset or liability at the measurement date. In addition, the fair value measurement assumes that the transaction of selling the asset or transferring the liability takes place either: (a) in the principal market for the asset or liability or (b) in the absence of a principal market, the most advantageous market for the asset or liability.

When there is no market price for a given financial instrument, its fair value is estimated based on the price established in recent transactions involving similar instruments or, in the absence thereof, based on valuation models sufficiently contrasted by the international financial community, considering the specific peculiarities of the instrument to be valued and, in particular, the different types of risk related to the instrument.

When valuation techniques are used, they maximise the use of the relevant observable input data and minimise that of unobservable input data. For example, when an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorised within the fair value hierarchy.

Although average prices are allowed as a practical resource to determine the fair value of an asset or a liability, the Bank makes an adjustment (FVA or fair value adjustment) when there is a gap between the purchase and sale price (close-out cost).

All derivatives are recorded in the Interim Consolidated Statements of Financial Position at fair value from the trade date. If their fair value is positive, they shall be recorded as an asset; if their fair value is negative, they shall be recorded as a liability. In the absence of evidence to the contrary, the trade date's fair value is deemed the transaction price. Changes in the fair value of derivatives from the trade date are recognised with a balancing entry in the Interim Consolidated Income Statements under 'Profit/(loss) on financial assets/liabilities held for trading at fair value through profit or loss'.

Specifically, the fair value of financial derivatives included in the trading books is deemed similar to their daily quoted price. If for exceptional reasons, the quoted price cannot be determined on a given date, the fair value is calculated using similar methods to those used for over-the-counter (OTC) derivatives. The fair value of OTC derivatives is the sum of the future cash flows stemming from the instrument that have been discounted to the present value at the appraisal date ('present value' or 'theoretical closure') using valuation techniques commonly used by the financial markets: 'net present value' (NPV) and option pricing models, among other methods. Also, within the fair value of derivatives are included the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA), aiming for the fair value of each instrument to include the credit risk of its counterparty and the Bank's own risk. The Counterparty Credit Risk (CVA) is a valuation adjustment to derivatives contracted in non-organised markets as a result of the exposure to counterparty credit risk.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

The CVA is calculated considering the potential exposure to each counterparty in future periods. The Debit Valuation Adjustment (DVA) is a valuation adjustment similar to CVA but generated by the Bank's credit risk assumed by our counterparties. In the case of derivative instruments contracted with Central Clearing Houses, in which the variation margin is contractually defined as a firm and irrevocable payment, this payment is considered part of the derivative's fair value.

For loans and advances covered by fair value hedging transactions, changes in their fair value related to the risk or risks covered in these hedging transactions are recorded.

Equity instruments and contracts related to them must be measured at fair value. Nevertheless, the Bank believes that cost is an appropriate fair value estimate in specific circumstances. This may be necessary, for example, if the recently available information is insufficient to measure the fair value or if a wide range of possible fair value measures exists, and the cost represents the best fair value estimate within that range. Furthermore, the Bank may irrevocably elect to present subsequent changes in the instrument's fair value in other comprehensive income.

As of June 30, 2022, 2021 and December 31, 2021, no significant investments in listed financial instruments had ceased to be recorded at their quoted market value due to their market being unable to be considered active.

The amounts at which financial assets/liabilities are recorded represent, in all material respects, the Bank's maximum exposure to credit risk at each reporting date. The Bank also has collateral, and other credit enhancements to mitigate its exposure to credit risk, consisting mainly of mortgages, cash, equity and personal guarantees, leased and rented assets, assets purchased under repurchase agreements, securities lending and credit derivatives.

Valuation techniques

According to IFRS 13, a fair value hierarchy is established based on three levels: Level 1, Level 2 and Level 3, in which the highest priority is given to quoted prices (unadjusted) in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

Financial instruments at fair value and determined by published prices in active markets (Level 1) comprise government bonds, corporate bonds, exchange-traded derivatives, securitised assets, equities, short positions and issued bonds.

In cases where quotations cannot be observed, management best estimates what the market would price using its own internal models. In most cases, these internal models use data based on observable market parameters as significant inputs (level 2) and sometimes use significant unobservable inputs in market data (level 3). Various techniques are used to estimate it, including extrapolating observable market data. As a result, the most reliable evidence of the fair value of a financial instrument on initial recognition is the transaction price, unless the value of that instrument can be derived from other market transactions by the same or a similar instrument or valued using a valuation technique in which the inputs used include only observable market data, mainly interest rates.

The main techniques used as of June 30, 2022, and 2021 and December 31, 2021, by the Bank's internal models to determine the fair value of financial instruments are described below:

a. The present method is used in the valuation of financial instruments permitting static hedging (mainly forwards and swaps). Estimated future cash flows are discounted using the interest rate curves of the related currencies. The interest rate curves are generally observable market data.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

b. In the valuation of financial instruments requiring dynamic hedging (mainly structured options and other structured instruments), the Black-Scholes model is normally used. Where appropriate, observable market inputs are used to obtain the bid-offer spread, exchange rates, volatility, correlation indexes and market liquidity.

c. For the valuation of certain financial instruments exposed to interest rate risks, such as interest rate futures, caps and floors, the present (future) value method and the Black-Scholes model (plain vanilla options) are used. The main inputs used in these models are observable market data, including the related interest rate curves, volatilities, correlations and exchange rates.

The fair value of the financial instruments calculated by the aforementioned internal models considers contractual terms and observable market data, including interest rates, credit risk, exchange rates, the quoted market price of shares and market rates of raw materials, volatility, prepayments and liquidity. In addition, the Bank's management verifies that the valuation models do not incorporate significant subjectivity. Therefore, if necessary, these methodologies can be adjusted and calibrated through internal calculations of fair value and subsequent comparison with the corresponding actively traded price.

The Bank has developed a formal process for the systematic valuation and management of financial instruments, implemented in all units included in the scope of consolidation. The governance structure of this process distributes responsibilities between two separate divisions: Treasury (responsible for the development, marketing and daily management of financial products and market data) and Market Risks (responsible for the periodic validation of valuation models and market data, the process of calculating risk metrics, policies for approving new transactions, market risk management and the implementation of valuation adjustment policies).

The approval of a new product involves several steps (application, development, validation, integration into corporate systems and quality review) before it goes into production. This process ensures that the rating systems have been properly reviewed and are stable before use.

Details of the most significant derivative products and families, together with their respective valuation techniques and inputs, by type of asset, are set out under Note 44 'Fair value of financial assets and liabilities' in these Interim Consolidated Financial Statements.

j. Fixed assets

This category includes the number of buildings, land, furniture, vehicles, computer hardware and other fixed assets owned by the consolidated entities or acquired under finance leases. Assets are classified according to their use as follows:

a. Fixed assets (property, plant and equipment) for own use

Property, plant, and equipment for own use include but are not limited to tangible assets received by the consolidated entities in full or partial satisfaction of financial assets representing accounts receivable from third parties intended to be held for continuing own use, and tangible assets acquired under finance leases. Accordingly, these assets are presented at the acquisition cost to which the related accumulated depreciation is subtracted along with, if applicable, any impairment loss resulting from comparing the net value of each item to the respective recoverable amount.

Depreciation is calculated using the straight-line method over the acquisition cost of assets minus their residual value, assuming that the land on which buildings and other structures stand has an indefinite life and is not subject to depreciation.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Bank applies the following useful lives for the tangible assets that comprise its assets:

ITEM	Useful Life (Months)
Land	-
Paintings and works of art	-
Carpets and curtains	36
Computers and Hardware	36
Vehicles	36
ATMs and teleconsultations	60
Other machines and equipment	60
Office furniture	60
Telephone and communication systems	60
Security systems	60
Rights over telephone lines	60
Air conditioning systems	84
Other installations	120
Buildings	1,200

At each reporting period, the consolidated entities assess whether there is any indicator that the carrying amount of any tangible asset exceeds its recoverable amount. If this is the case, the asset's carrying amount is reduced to its recoverable amount. Future depreciation charges are adjusted under the revised carrying amount and to the new remaining useful life.

The estimated useful lives of the items of property, plant and equipment held for own use are reviewed at the end of each reporting period to detect significant changes. If changes are detected, the useful lives of the assets are adjusted by correcting the depreciation charge to be recorded in the Consolidated Statement of Income in future years based on the new useful lives.

Maintenance expenses relating to tangible assets held for own use are recorded as an expense in the period in which they are incurred.

b. Assets leased out under operating leases

The criteria used to record the acquisition cost of assets leased out under operating leases, to calculate their depreciation and their respective estimated useful lives, and to record their impairment loss, are the same criteria as those for property, plant and equipment held for own use.

k. Leases

At the contract's creation, the Bank assesses whether it contains a lease or not. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for compensation. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

a. The contract involves using an identified asset. This may be specified explicitly or implicitly and should be physically distinct. If the supplier has a significant substitution right, the asset is not identified.
b. The Bank has the right to obtain all the economic benefits from using the asset throughout the contract's duration.
c. The Bank has the right to direct the use of the asset – this is the decision-making purpose for which the asset is used.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. As a lessee

The Bank recognises a right-of-use asset and a lease liability at the starting date of the lease according to the IFRS 16 'Leases'. The Bank's main contracts are with its related offices and branches, which are necessary to undertake its activities.

In the beginning, the right-of-use asset is equal to the lease liability. It is calculated as the present value of the lease payments, which are discounted using the Bank's incremental interest rate at the starting date and considering each contract's duration. The average incremental interest rate is 1.45%. Subsequently, the asset is straight-line depreciated according to the contract's duration, and the financial liability is amortised in terms of the monthly payments. The financial interest is charged to net interest income, and the depreciation is charged to the depreciation expense of each financial year.

The lease's term encompasses non-cancellable periods stipulated within each contract. In the case of a lease contract with indefinite duration, the Bank has determined to assign a span equal to the longest of the non-cancellable period of its lease contracts. Contracts with a non-cancellable period of 12 months or less are treated as short-term leases. Therefore, the related payments are recorded as straight-line expenses. Any change in the lease term or rent is treated as a new measurement of the lease.

In the initial measurement, the Bank measures the right-of-use asset at cost. The rent of the lease contracts is agreed in UF and payable in Chilean pesos. According to Circular No. 3,649 of the FMC, the monthly UF variation that affects all contracts established in such monetary units should be treated as a new measurement. Therefore, readjustments should be recognised as an amendment to the obligation, and in parallel, the amount of the related asset should be adjusted.

The Bank has not entered into lease agreements with guarantee clauses for residual value or variable lease payments.

2. As a lessor

When the Bank acts as a lessor, it first determines if the process corresponds to a financial or operating lease. To do this, the Bank evaluates whether it has substantially transferred all the risks and benefits of the asset. In the affirmative case, it corresponds to a financial lease. Otherwise, it is an operating lease.

The Bank recognises lease rentals received on a straight-line income basis over the lease term.

3. Third-party financing

Under 'loans and accounts receivable from customers' in the Consolidated Statements of Financial Position, the Bank recognises as loans with third parties the sum of present values of the lease payments receivable from the lessee. This includes the price of the lessee's right-to-call option by the end of the lease term when it is reasonably certain that the lessee will exercise said right. The financial income and expense derived from these contracts are recorded in the Consolidated Income Statements under 'Interest income' and 'Interest expense', respectively, to achieve a constant return rate over the lease term.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

l. Factoring transactions

Factored receivables are valued at the amount disbursed by the Bank in exchange for invoices or other commercial instruments representing the credit the transferor assigns to the Bank. The price difference between the amounts disbursed and the actual face value of the credits is recorded as interest income in the Consolidated Statement of Income using the effective interest method over the financing period. When the assignment of these instruments involves no liability on the part of the assignee, the Bank assumes the risks of insolvency of the parties responsible for payment.

m. Intangible assets

Intangible assets are non-monetary assets (identifiable separately from other assets) without physical substance arising from legal or contractual rights. The Bank recognises an intangible asset, whether purchased or self-created (at cost), when the asset's cost can be measured reliably. Additionally, the future economic benefits attributable to the asset are expected to flow into the Bank.

To calculate intangible assets, they are recorded initially at their acquisition or production cost, from which the accumulated amortisation and accumulated impairment loss are subtracted.

Internally developed computer software is recorded as an intangible asset if, among other requirements (primarily the Bank's ability to use or sell it), it can be identified, and its ability to generate future economic benefits can be demonstrated.

Intangible assets are amortised linearly based on their estimated useful life, which has been defined by default at 36 months and can be modified if the extent to which the Bank will benefit from its use for a different period than the mentioned above is demonstrated.

Expenditure on research activities is recorded as the expense incurred in the year and cannot be subsequently capitalised.

n. Non-current assets held for sale

Non-current assets held for sale and discontinued operations

Per the IFRS 5, 'Non-current assets held for sale and discontinued operations', a non-current asset is classified as held for sale if its carrying amount will be recovered mainly through a sale transaction rather than through continued use.

In order to apply the above classification, the asset must meet the following requirements:

a. It must be available in its current conditions for immediate sale, and its selling must be highly probable.
b. For it to be highly probable, the appropriate management level must be engaged in a plan to sell the asset (or group of assets for its disposal). Also, a program to find a buyer and the completion of said purchase must have been actively initiated.
c. Furthermore, the sale should be expected to qualify for recognition as a completed sale within one year of the classification date.

Assets classified as such shall be measured at the lower carrying amount or fair value with fewer selling costs.

As of June 30, 2022, and from December 31, 2021, the Bank does not hold any assets classified under this category. As of June 30, 2021, the Bank held the investments in Transbank and Redbanc classified as 'non-current assets held for sale', while Nexus was sold in December 2020. In December 2021, due to the pandemic, the current global economic situation, and the impossibility of finding buyers, the Bank decided to reclassify these investments as investments in associates and account for them at equity value.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Assets received or awarded in lieu of payment

All assets received or awarded as loan payments and accounts receivable from clients are recorded – in the case of dation in payment– at a price agreed between the parties or, conversely, in those cases in which there is no agreement between the parties, at the amount at which the Bank is awarded such assets in a judicial auction. In both cases, an independent assessment of the market value of the goods is determined based on the state in which they are acquired.

If there is an excess of loan receivables over the fair value of the good received or foreclosed in payment when the selling cost is subtracted, they are recognised in the Consolidated Income Statements under 'Provision for credit risk'.

These goods are subsequently valued at the lower amount between the initially recorded figure and the net realisable value, which corresponds to its fair value (liquidation value determined through an independent appraisal) minus their respective costs of sale. The differences between the two are recognised in the Consolidated Income Statements under 'Other operating expenses'.

At the end of each year, the Bank conducts an analysis to review the cost of sale of assets received or foreclosed in payment, which is then applied from that date onwards and into the following year. In December 2021, the average cost was estimated at 4.0% of the appraised value (3.2% as of December 31, 2020). In addition, a review of the appraisals (independent) is carried out every 18 months to adjust the fair value of the assets.

These assets are generally estimated to be disposed of within one year from the award date. Under article 84 of the General Banking Law, assets not sold within this period are penalised through a single instalment. On March 25, 2021, the FMC issued Circular No 2247 granting an additional 18 months for the disposal of all assets that financial institutions have received in payment or are awarded between March 1, 2019, and September 30, 2021, also allowing these assets' write-off to be made in instalments proportional to the number of months between the date of their receipt and that set by the Bank for their disposal.

o. Income and expense recognition

The most important criteria used by the Bank to recognise its revenues and expenses are summarised as follows:

1. Interest revenue, interest expense, and similar items

Interest income, interest expense and similar items are recognised on an accrual basis using the effective interest rate method.

Nevertheless, the Bank ceases to recognise income on an accrual basis when a loan or one of its instalments is 90 days overdue. This means that interest, adjustments or commissions are not recognised in the Consolidated Income Statement unless received.

These interest and readjustments are generally referred to as 'suspended' and are recorded in memorandum accounts, which do not form part of the Interim Consolidated Statements of Financial Position but are reported as part of the supplementary information therein (Note 30 and 31).

Interest incomes of previous 'transactions with suspended accrual' are only recognised again when the debtor is up to date with its obligations.

2. Commissions, fees and similar items

Fee and commission income and expenses are recognised in the Interim Consolidated Income Statements using the criteria set out in IFRS 15, 'Revenue from contracts with customers'.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Under IFRS 15, the Bank recognises revenue when it satisfies its performance obligations by transferring the service (an asset) to the customer. Under this definition, an asset is transferred when the customer obtains control over the asset. The Bank considers the contractual terms and its traditional business practices for determining the transfer price. The transfer price is the amount of compensation the entity expects to be entitled in order to transfer committed goods and services to the customer, excluding amounts collected on behalf of third parties.

The Bank consistently applies the recognition method for each performance obligation, whether it satisfies the performance obligation over time or satisfies the performance obligation at a specific point in time.

The main income arising from commissions, fees, and similar items are:
- Credit prepayment fees include fees related to prepayments of credit operations made by customers.
- Fees and commissions on loans with letters of credit include fees and commissions related to granting loans with letters of credit.
- Credit line and overdraft fees include fees accrued during the year to grant credit lines and current account overdrafts.
- Fees for guarantees and letters of credit include fees accrued during the year to grant payment guarantees for real or contingent third-party obligations.
- Card service fees: These include fees earned and accrued for the year related to credit, debit and other cards.
- Account administration fees: include fees incurred for the maintenance of current, savings and other accounts.
- Fees and commissions for collections and payments include fees and commission income generated by the Bank's collections and payment services.
- Commissions for brokerage and handling securities include income from commissions generated on brokerage, placements, administration, and custody of securities.
- Remuneration for the administration of mutual funds, investment funds or others includes commissions from fund management companies separated by type of client (natural or legal person).
- Insurance intermediation and consultancy fees include income generated through insurance sales, separated by the type of insurance brokered.
- Fees for financial leasing transaction services include those financial leasing services in which the Bank acts as a lessor.
- Securitisation fees include fees for securitisation services.
- Fees for financial advisory services include those involved in advisory services concerning the issuance and placement of financial instruments, restructuring and funding financial liabilities, sale and purchase of companies, and others.
- Other commissions earned include income generated by currency exchanges, issuing demand vouchers and guarantee slips, trust commissions, foreign trade operations, student loan administration, and other services.

Commission expenses include:

d. Card transaction fees include commissions generated by credit cards, debit cards and the provision of funds related to the income generated from card service fees.
e. Card brand licence fees are fees paid to the main card brands: credit, debit and provision of funds.
f. Other fees for services linked to the credit card system and cards with the provision of funds.
g. Expenses for loyalty and merit programme obligations for card customers. They include expenses related to customer benefit programmes related to the use of cards.
h. Fees for securities transactions include fees for deposit, safekeeping and brokerage of securities, investments in mutual funds, stock exchanges, central counterparty and market infrastructure services.
i. Other fees for services received include securities services, foreign trade, correspondent banking, ATMs and wire transfer fees.
j. Fees for clearing high-value payments include fees to ComBanc, CCLV, etc.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

The relationship between the segment note and the disaggregated income is presented in Note 32 Commissions.

The Bank maintains loyalty programmes linked to its credit card services, which under IFRS 15 have the necessary provisions to meet the delivery of committed performance obligations to come. Such obligations are settled immediately upon incurrence.

3. Non-financial income and expenses

They are recognised under the criteria established in IFRS 15, identifying the performance obligation and when they are satisfied (accrued).

4. Commissions in the formalisation of loans

Financial fees and commissions arising on the origination of loans, mainly origination or arrangement fees and information fees, are accrued and recognised in the Interim Consolidated Statements of Income over the life of the loan.

p. Provisions for credit risk on loans and receivables and contingent liabilities

The Bank permanently evaluates the entire portfolio of loans and contingent credits, as established by the FMC, to promptly create sufficient provisions to cover the expected loss linked with the debtors' characteristics and credits, based on payment and subsequent recovery.

The Bank uses the following models established by the FMC and approved by the Board of Directors to assess its loan and contingent loan portfolio:

a. Individual assessment of debtors – This applies to debtors recognised as individually significant, that is, with substantial levels of debt, and to those who, even if not significant, are not able to be classified in a group of financial assets with similar credit risk characteristics, and which, due to their size, complexity or level of exposure, require detailed analysis.

b. Group assessment of obligors - Group assessments are relevant for residential mortgage and consumer credit exposures, in addition to commercial student credit exposures and exposures to obligors that simultaneously meet the following conditions:

    a. The Bank has an aggregate exposure to the same counterparty of less than UF 20,000. The aggregate exposure is considered the gross of provisions or other mitigants and includes housing mortgages in its calculation. Concerning off-balance sheet items (contingent claims), the gross amount is calculated by applying the credit translation factors defined in Chapter B-3 of the Compendium of Accounting Standards for Banks.

    b. Each aggregate exposure to a single counterparty does not exceed 0.2% of the total portfolio related to the group-rated loans.

Group assessments are suitable for dealing with many transactions with low individual amounts and involving individuals or small companies. The Bank groups debtors with similar credit risk characteristics by associating each group with a certain probability of non-performing and a recovery rate based on a substantiated historical analysis. To this end, the Bank implemented the standard model for mortgage loans, commercial loans and the internal model for consumer loans.

i. Allowances for individual assessments

The individual assessment of trade debtors is necessary, as established by the FMC, in the case of companies that require detailed knowledge and analysis due to their size, complexity, or level of exposure to the entity.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

The analysis of debtors focuses firstly on their credit quality. Then, it classifies them in the risk category corresponding to the debtor and their respective credit operations and contingent credits after assigning them to one of the three portfolio statuses: Standard, Substandard and Impaired. The risk factors used in the allocation are the industry or sector, business situation, partners and management, their financial situation and ability to pay, and payment behaviour.

The portfolio categories and their definitions are as follows:

a. Normal Portfolio includes debtors with a payment ability to meet their obligations and commitments. Evaluations of the current economic and financial environment do not indicate that this will change. The classifications assigned to this portfolio are categories from A1 to A6.

b. Substandard Portfolio includes debtors with financial difficulties or significant deterioration of their payment ability. There is reasonable doubt concerning the future reimbursement of the capital and interest within the contractual terms, with limited ability to meet short-term financial obligations. The classifications assigned to this portfolio are categories from B1 to B4.

c. Impaired Portfolio includes debtors and loans in which repayment is considered remote, with a reduced or no likelihood of repayment. This portfolio includes debtors who have stopped paying their loans or that indicate that they will stop paying, as well as those who require forced debt restructuration, reducing the obligation or delaying the term of the capital or interest and any other debtor who is overdue by 90 days or more in their payment of interest or capital. The classifications assigned to this portfolio are categories from C1 to C6.

Normal and Substandard Compliance Portfolio

As part of individual assessment, the Bank classifies debtors into the following categories, assigning them a probability of non-performance and severity, which result in the expected loss percentages:

Portfolio	Debtor's Category	Probability of Non-Performance (%)	Severity (%)	Expected Loss (%)
Normal Portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard Portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

The first step to determine the number of provisions is to assess the affected exposure, which comprises the book value of loans plus contingent credits, minus the amounts that are feasible to recover through the activation of the guarantees, financial or real, covering the operations. The respective loss percentages are applied to this exposure result. In the case of collateral, the Bank must demonstrate that the value assigned to the deduction reasonably reflects the value realised at the disposal of the assets or equity instruments. If the debtor's credit risk is substituted for the guarantor's credit quality, this methodology will only apply if the guarantor or surety is an entity qualified in a category similar to the investment grade of a local or international rating agency recognised by the FMC.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Furthermore, guaranteed securities cannot be deducted from the exposure amount. Only financial guarantees and collateral can be considered.

Notwithstanding the above, the Bank must maintain a minimum provision of 0.5% over loans and contingent loans in the normal portfolio.

Non-performing Portfolio

The impaired portfolio includes all loans and the entire value of contingent loans of the debtors overdue by 90 days or more on the payment of interest or principal of any loan at the end of the month. It also includes debtors who have been granted a loan to refinance loans overdue by 60 days or more and debtors who have undergone forced restructuring or partial debt forgiveness

The impaired portfolio excludes: a) residential mortgage loans, with payments overdue less than 90 days; and b) loans to finance higher education according to Law No 20,027, provided the breach conditions outlined in Circular No 3454 of 10 December 2008 are not fulfilled.

The provision for an impaired portfolio is calculated by determining the expected loss rate for the exposure, adjusting it for amounts recoverable through available financial guarantees and deducting the present value of recoveries made through collection services after the related expenses.

Once the expected loss range is determined, the related allowance rate is applied over the exposure amount, including loans and contingent loans related to the debtor.

The allowance rates applied over the calculated exposure are as follows:

Classification	Estimated range of loss	Allowance
C1	Up to 3%	2%
C2	Between 3% and 20%	10%
C3	Between 20% and 30%	25%
C4	Between 30% and 50%	40%
C5	Between 50% and 80%	65%
C6	Over 80%	90%

All the obligor's loans are maintained in the impaired portfolio until its payment ability is normalised, notwithstanding the charge-off of each particular credit that meets Title II of Chapter B-2 of the CASB. Once the circumstances that led to classification in the Impaired Portfolio have been overcome, the debtor can be removed from this portfolio once all the following conditions are met:

a. The debtor has no obligations overdue with the Bank by 30 days or more.
b. The debtor has not been granted loans to pay its obligations.
c. At least one of the payments includes the amortisation of capital.
d. If the debtor has made partial loan payments in the last six months, two payments must already be made.
e. If the debtor must pay monthly instalments for one or more loans, four consecutive instalments have been made.
f. The debtor does not appear to have bad debts in the information provided by the FMC, except for insignificant amounts.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

II. Allowances for group assessments

Group assessments are relevant for residential mortgage and consumer credit exposures, in addition to commercial student credit exposures and debtor exposures that simultaneously meet the following conditions:

a. The Bank has an aggregate exposure (the exposure on the same Business Group at a consolidated level) to the same counterparty of less than UF 20,000. The aggregate exposure is considered the gross of provisions or other mitigants and includes housing mortgages in its calculation. Concerning off-balance sheet items (contingent claims), the gross amount is calculated by applying the credit translation factors defined in Chapter B-3 of the Compendium of Accounting Standards for Banks.

b. Each aggregate exposure to a single counterparty does not exceed 0.2% of the total portfolio related to the group-rated loans.

To determine provisions, group assessments require the creation of groups of loans with homogeneous qualities in terms of the type of debtors and agreed conditions to establish, using technically sound estimates and prudential criteria, both the payment behaviour of the group and the recoveries of its non-performing loans. This is done using a model based on the characteristics of debtors, payment history, outstanding loans and delinquency, among other relevant factors.

The Bank uses credit risk methodologies based on internal and/or standard models to estimate provisions for the group assessed portfolio, including commercial loans for debtors not individually assessed, housing loans and consumer loans (including instalment loans, credit cards and overdraft facilities). This methodology helps to independently identify the portfolio's performance one year ahead and determine the provision necessary to cover one year's loss from the balance sheet date.

Customers are segmented according to their internal and external characteristics into groups or profiles to differentiate the risk of each portfolio in a more appropriate and orderly manner (customer-portfolio model); this is known as the profiling method.

The profiling method is based on a statistical construction method, constituting a relationship through a logistic regression between variables such as delinquency, external behaviour, socio-demographic variables, and a response variable that determines the customer's risk. In this case, delinquency is equal to or greater than 90 days. Hence, common profiles are established and assigned a Probability of Non-Performance (PNP) and a recovery rate based on a historical analysis known as Severity (SEV).

Therefore, once the customers have been profiled and the loan's profile assigned a PNP and a SEV, the exposure at default (EXP) is calculated. This exposure includes the book value of the loans and accounts receivable from the customer, plus contingent loans minus any amount that can be recovered by activating guarantees (for credits other than consumer loans).

Notwithstanding the above, in establishing provisions related to mortgage and commercial loans, the Bank must recognise minimum provisions according to standard methods established by the FMC for those types of loans. While this is considered a conservative minimum base, it does not relieve the Bank of its responsibility to have its own methodologies for determining adequate provisions to protect the portfolio's credit risk.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Standard method of residential mortgage loan provisions

Under the CASB, the Bank applies the standard provisioning method for residential mortgages. Under this method, the expected loss factor applicable to the number of residential mortgage loans will depend on the delinquency of each loan and the ratio, at the end of each month, between the outstanding principal amount of each loan and the value of the mortgage collateral (LTV) that protects it.

The relevant provisioning factor according to delinquency and LTV is as follows:

LTV Range	Days past due at month-end	0	1-29	30-59	60-89	Non-performing portfolio
LTV ≤ 40%	PI (%)	1.0916	21.3407	46.0536	75.1614	100
	PDI (%)	0.0225	0.0441	0.0482	0.0482	0.0537
	PE (%)	0.0002	0.0094	0.0222	0.0362	0.0537
40% < LTV ≤ 80%	PI (%)	1.9158	27.4332	52.0824	78.9511	100
	PDI (%)	2.1955	2.8233	2.9192	2.9192	3.0413
	PE (%)	0.0421	0.7745	1.5204	2.3047	3.0413
80% < LTV ≤ 90%	PI (%)	2.5150	27.9300	52.5800	79.6952	100
	PDI (%)	21.5527	21.6600	21.9200	22.1331	22.2310
	PE (%)	0.5421	6.0496	11.5255	17.6390	22.2310
LTV > 90%	PI (%)	2.7400	28.4300	53.0800	80.3677	100
	PDI (%)	27.2000	29.0300	29.5900	30.1558	30.2436
	PE (%)	0.7453	8.2532	15.7064	24.2355	30.2436

LTV= (Loan-to-Value Ratio) unpaid loan principal/value of the mortgage collateral.

This standardised approach will also be applied to residential leasing transactions, following the same criteria described above and considering the leased asset value equivalent to the amount of the mortgage collateral.

If the same debtor holds more than one residential mortgage loan with the Bank and one is overdue by 90 days or more, all these loans will be assigned to the non-performing portfolio, with provisions calculated for each of them according to their respective LTV percentages.

In the case of housing mortgage loans linked to housing and subsidy programmes of the State of Chile, provided that they are contractually covered by the auction insurance supplied by the latter, the provisioning percentage may be weighted by the loss mitigation (LM) factor, which depends on the LTV percentage and the value of the house in the deed of sale (V). Therefore, the LP factors to be applied to the corresponding provisioning percentage are presented in the table below:

Loss mitigation (LM) factor for loans with state auction insurance		
LTV Range	Segment V: Deeded house price (UF)	
	V<1,000	1,000< V <= 2,000
LTV <= 40%	100	
40% < LTV <= 80%		
80% < LTV <=90%	95	96
LTV > 90%	84	89

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Standard method of commercial loan provisions

Following the CASB, the Bank applies the standard model of provisions for commercial loans in the group portfolio, depending on whether it corresponds to commercial leasing, student loans or other commercial loans.

Before implementing the standard method, the Bank used its internal models to determine group business provisions.

a. Commercial leasing operations

For these operations, the provision factor must be applied to the current value of commercial leasing operations (including the call option). Therefore, it will depend on the delinquency of each operation, the type of leased asset and the relationship, at the closing of each month, between the current value of each operation and the value of the leased asset (PVB), as indicated in the following tables:

Probability of Non-Performance (PNP) applicable according to delinquency and type of asset (%)

Days past due at the end of the month	Type of asset	
	Real estate	Non-real estate
0	0.79	1.61
1-29	7.94	12.02
30-59	28.76	40.88
60-89	58.76	69.38
Non-performing portfolio	100.00	100.00

Probability of Non-Performance (PNP) applicable by PVB range and type of asset (%)

PVB range (*)	Real estate	Non-real estate
PVB ≤ 40%	0.05	18.2
40% < PVB ≤ 50%	0.05	57.00
50% < PVB ≤ 80%	5.10	68.40
80% < PVB ≤ 90%	23.20	75.10
PVB > 90%	36.20	78.90

(*) PVB= Current value of operation/leased asset value

The determination of the PVB ratio will be made considering the appraisal value, expressed in UF for real estate and Pesos for non-real estate, recorded at the time of granting the respective credit, considering any situations that may be causing pricing rises of the asset at that time.

b. Student loans

For these operations, the provision factor should be applied to the student loan and the exposure of the contingent credit, when applicable. The determination of this factor depends on the type of student loan and the enforceability of the payment of capital or interest at the end of each month. Where payment is due, the factor will also depend on the delinquency of the payment.

For the loan classification, a distinction is made between those granted for financing higher studies under Law No 20,027 (CAE) and, on the other hand, the CORFO guarantee credits or other student loans.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Probability of Non-Performance (PNP) according to enforceability, delinquency and type of loan (%)			
Presents payment enforceability or interest at month-end.	Days past due at month-end	Type of student loan	
		CAE	CORFO and others
Yes	0	5.20	2.90
	1-29	37.20	15.00
	30-59	59.00	43.40
	60-89	72.80	71.90
	Non-performing portfolio	100.00	100.00
No	N/A	41.60	16.50

<table>
<tr><th colspan="3">Probability of Non-Performance (PNP) applicable by PVB range and type of asset (%)</th></tr>
<tr><th rowspan="2">Presents payment enforceability or interest at month-end.</th><th colspan="2">Type of student loan</th></tr>
<tr><th>CAE</th><th>CORFO and others</th></tr>
<tr><td>Yes</td><td colspan="2">70.90</td></tr>
<tr><td>No</td><td>50.30</td><td>45.80</td></tr>
</table>

c. Generic commercial loans and factoring

For factoring transactions and other commercial loans, the provisioning factor, applicable to the amount of the loan and the contingent credit exposure, will depend on the delinquency of each transaction and the ratio at the end of each month between the debtor's obligations to the Bank and the value of the collateral (PTVG) securing them, as indicated in the following tables:

Probability of Non-Performance (PNP) applicable according to delinquency and PTVG range (%)			
Days past due at month-end	Guarantee		
	PTVG ≤ 100%	PTVG > 100%	No guarantee
0	1.86	2.68	4.91
1-29	11.60	13.45	22.93
30-59	25.33	26.92	45.30
60-89	41.31	41.31	61.63
Non-performing portfolio	100.00	100.00	100.00

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Severity (SEV) applicable according to PTVG range (%)			
Guarantee (with/without)	PTVG Range	Factoring and other commercial loans without responsibility	Factoring with responsibility
Guarantee	PTVG ≤ 60%	5.00	3.20
	60% < PTVG ≤ 75%	20.30	12.80
	75% < PTVG ≤ 90%	32.20	20.30
	90% < PTVG	43.00	27.10
No guarantee		56.90	35.90

The guarantees used to calculate the PTVG ratio of this method may be of a specific or general nature, including those that are both specific and general. However, a guarantee can only be considered if, according to the respective coverage clauses, it was set in the first degree of preference in favour of the Bank and only guarantees the debtor's credits concerning which it is attributed (not shared with other debtors).

The invoices assigned in the factoring operations, or the guarantees linked to mortgage loans, regardless of their coverage clauses, will not be considered in the calculation.

The following considerations must be taken into account when calculating the PTVG ratio:

1. Transactions with specific guarantees: those in which the debtor provided specific guarantees for generic commercial loans and factoring. The PTVG ratio is calculated separately for each secured transaction as the division between the amount of the loans and the contingent credit exposure over the value of the collateral securing it.

2. Transactions with general guarantees: when the debtor is granted general or general and specific guarantees, the Bank calculates the corresponding PTVG jointly for all generic commercial loans, factoring and operations not contemplated in the above paragraph i), as the division between the sum of the amounts of loans and contingent credit exposures over the general or specific guarantees that, according to the scope of the remaining hedge clauses, protect the credits considered in the numerator of the aforementioned ratio.

The amounts of collateral used in the PTVG ratio in (i) and (ii) should be determined according to the:

a. Type of real guarantee, the guarantee's last valuation is its appraisal or fair value. Therefore, the criteria indicated in Chapters 7-12 of the Updated Collection of Standards should be considered to determine fair value.
b. Possible situations that could be causing temporary increases in the values of the guarantees.
c. Limitations on the amount of coverage established in their respective clauses.

III. Provisions for contingent credits

Contingent credits are transactions or commitments in which the Bank assumes a credit risk by obliging itself vis-à-vis third parties upon a future event to make a payment or disbursement to be recovered from its customers.

To calculate the provisions as indicated in Chapter B-1 of the CASB, the amount of exposure to be considered shall be equal to the percentage of the contingent claim amounts indicated below:

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Type of loan	Credit Translation Factors (FCC)
Immediately repayable unrestricted credit lines	10%
Contingent credits linked to CAE	15%
Letters of credit for goods movement operations	20%
Other unrestricted credit lines	40%
Debt purchase commitments in local currencies abroad	50%
Transactions related to contingent events	50%
Guarantees and sureties	100%
Other credit commitments	100%
Other contingent credits	100%

In the case of transactions with clients with non-performing loans, such exposure shall always equal 100% of their contingent credits.

IV. Guarantees and credit enhancements

Guarantees are only considered in calculating provisions when legally established, and the conditions allowing their eventual activation or settlement in the Bank's favour are met.

Collateral valuation (mortgages or pledges) reflects the net cash flow obtained from selling goods or equity instruments, or from capital minus estimated expenses, in the event of a debtor's non-performance.

For mortgages and pledges on goods, the Bank undertakes analyses highlighting the relationship between the prices obtained in an eventual settlement and their appraisal or foreclosure values. Nevertheless, the valuations of mortgages and other goods received are based on valuations carried out by independent professionals, while maintenance and transaction costs are based on historical data from at least three years prior. The Bank has the necessary collateral revaluation policies in place.

Financial guarantees, measured through fair value adjustments, may only be deducted from credit risk exposures when they are provided to secure the performance of the credits concerned. The adjusted fair value is obtained by applying the interest rate and currency volatility discount factors established by the FMC and subtracting settlement costs.

The determination of provisions in the case of leased assets considers the value obtained on the disposal of the leased assets, considering the impairment that these may present, and the expenses related to their redemption and liquidation or eventual relocation.

Determining provisions for factoring loans considers that the counterparty is the assignor of the documents endorsed to the Bank when the factoring is with liability and the debtor when the assignment is without liability of the assignor.

V. Additional provisions

According to FMC regulation, banks can establish provisions over the already described limits to protect themselves from the risk of non-predictable economic fluctuations that could affect the macroeconomic environment or a specific economic sector. As set out in number 9 of Chapter B-1 of the CASB of the FMC, these provisions shall be reported on the liability side in the same way as provisions on contingent claims.

VI. Provisions related to financing with FOGAPE guarantee Covid-19

The FMC requested the determination of specific provisions for loans secured by the FOGAPE Covid-19 guarantee, for which the expected loss must be determined. This is done by estimating the risk of each transaction, dismissing the guarantor's credit quality substitution, and following the appropriate individual or group analysis method per the clauses of the CASB Chapter B-1. This calculation must be made on an aggregate basis, grouping together all transactions to which the same deductible percentage is applicable.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Hence, the total expected loss resulting from the aggregate calculation of each transaction group must be compared with the total deductible corresponding to them. When the expected loss of the transactions of a group with the same deductible percentage is determined to be equal to or less than the aggregate deductible, the provisions are set without considering the FOGAPE Covid-19 hedge, that is, without replacing the creditworthiness of the direct debtor for that of the guarantor. When they surpass the aggregate deductible, the provisions shall be determined using the substitution method set out in the CASB paragraph 4.1(a) of Chapter B-1 and shall be recognised in accounts separate from commercial, consumer and housing provisions.

VII. Impaired receivables and suspension of accrual

For individual assessments, the impaired portfolio comprises loans classified in the 'non-performing portfolio' plus categories B3 and B4 of the 'substandard portfolio'. For group assessment, it comprises loans in the 'non-performing portfolio'.

The Bank ceases to recognise income on an accrual basis in the income statement when the loan or one of its instalments is 90 days overdue. From the date on which interest is suspended until they are no longer impaired, loans shall not be credited with interest, adjustments or fees in the Statement of Financial Position. No income from such loans shall be recognised unless duly received in the Statement of Income.

VIII. Charge-offs

As a general rule, charge-offs should be applied when the contractual rights to the cash flows expire.

The charge-offs in question refer to the derecognition in the Statement of Financial Position of the assets corresponding to the respective transaction, including that part which may not be overdue in the case of a loan payable in instalments or a leasing transaction (there are no partial charge-offs). This includes overdue, past-due and current instalments, with the term corresponding to the time elapsed since the date on which payment of all or part of the obligation is in delinquency.

Charge-offs are always booked against the credit risk provisions set up under Chapter B-1 of the CASB, regardless of the reason for the write-off.

Charge-offs should be carried out in the following circumstances, whichever occurs first:

a. Based on all available information, the Bank concludes that it will not obtain flows from the loans recorded on the asset.
b. When an unencumbered claim is 90 days old since it was registered as an asset.
c. Upon expiry of the statute of limitations for actions to claim collection through an enforceable judgment or at the time of the rejection or abandonment of the enforcement of the title by an enforceable court decision.
d. When the period of arrears of a transaction reaches the time limit for charge-offs set out below:

Type of loan	Term
Consumer loans with or without collateral	6 months
Other transactions without collateral	24 months
Commercial loans with collateral	36 months
Mortgage loans	48 months
Consumer leasing	6 months
Other non-mortgage leasing transactions	12 months
Mortgage leasing (household and business)	36 months

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

IX. Recovery of loans previously written off and accounts receivable from customers

Subsequent payments on written-off transactions shall be recognised in profit or loss as recoveries of written-off receivables.

When there are recoveries in terms of goods, the income is recognised as the amount by which they are incorporated into the asset under the provisions of the Chapter on Goods received or awarded in payment of obligations.

The same approach is followed if the leased goods are recovered after a leased transaction is written off when such goods are returned to the asset.

q. Impairment of financial assets other than loans and receivables and contingent liabilities

The Bank applies IFRS 9 'Financial Instruments' to determine the impairment of financial assets measured at fair value through other comprehensive income and financial assets at the amortised cost other than loans and contingent receivables.

The expected credit loss is generally estimated as the difference between all contractual cash flows recovered under the contract. All cash flows expected to be received are discounted at the effective interest rate originated.

This model uses a dual measurement approach, in which the impairment provision is measured as follows:

a. Credit loss expected at 12 months: it represents expected credit losses arising from default events on a financial instrument that may arise within 12 months from the reporting date.

b. Lifetime expected credit loss: it represents the expected credit losses arising from default events over the expected life of a financial instrument.

At each reporting date, an entity must measure the provision at an amount equal to the 'lifetime expected credit loss' if the credit risk on that financial instrument has increased significantly since initial recognition. Otherwise, if the credit risk of a financial instrument has not increased significantly at the reporting date since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 'expected credit loss over the next 12 months'.

When making such an assessment, an entity compares the default risk of a financial instrument at the reporting date with that of its initial recognition as well as considering reasonable and tenable information made available without unnecessary cost or effort, indicating the growth of credit risk since its initial recognition (on a group or individual basis). Based on changes in credit quality, IFRS 9 describes a 'three-step' impairment model according to the following diagram:

Change in credit quality since initial recognition		
Phase 1	**Phase 2**	**Phase 3**
Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired assets
Credit loss expected in 12 months	Lifetime credit loss	Lifetime credit loss

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Reasonable and tenable information is that which is readily available at the reporting date without unreasonable cost or effort, including information about past events, current conditions and forecasts of future economic conditions. When contractual payments are overdue by 30 days or more, the Bank considers that the credit risk of a financial asset has increased significantly, but this is not the only indicator.

Measurement of expected credit loss

Expected credit loss estimates the weighted probability of credit losses over the financial instrument's expected life, that is, the present value of all cash shortfalls. The three components of the measurement of expected credit loss are:

PD: The probability of default estimates the probability of non-performance over a given time frame.

LGD: Loss-given default estimates the loss that would occur in the event of a default at a given time.

EAD: Exposure at default is an estimate of the exposure at a future date of non-performance, considering expected exposure changes after the reporting date, including repayments of principal and interest, whether contractually scheduled or otherwise, and interest on defaults.

To measure expected credit loss, collateral and other credit enhancements are considered.

The Bank considers that if contractual payments are overdue by 30 days or more, the credit risk has increased significantly since the initial credit recognition, but this is not an absolute indicator.

Recognition of expected credit loss

An entity shall recognise in its financial results a gain or loss caused by value impairment as the amount of the expected credit loss (or reversals) by which the value is adjusted given the losses that have occurred by the reporting date in order to accurately capture the amount that requires recognition.

For assets measured at fair value through other comprehensive income, the book value of the instruments is understood as the fair value. Therefore, the recognition of impairment does not affect the carrying amount of such instruments and is reflected as a movement between other comprehensive income (a deduction from fair value) and the income statement at each reporting date.

In the case of assets measured at amortised cost, impairment is presented through a supplementary account that reduces the asset's value in the Statement of Position.

r. Impairment of non-financial assets

The Bank's non-financial assets are reviewed at each reporting date of the Interim Consolidated Financial Statements for indications of impairment (i.e., when the carrying amount exceeds the recoverable amount). If such indications exist, the asset's recoverable amount is estimated to determine the extent of the impairment loss.

The recoverable amount is the higher of fair values minus costs of disposal and value in use. In assessing value in use, estimates of cash inflows or outflows shall be discounted to present value using the pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be lower than its carrying amount, it is written down as its recoverable amount. The impairment loss is recognised immediately in profit or loss.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

Concerning other assets, impairment loss recognised in prior periods is assessed at each reporting date for any indication that the loss has decreased and should be reversed. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Loss for goodwill impairment recognised through capital gains is not reversed.

s. Provisions, contingent assets and liabilities

Provisions are liabilities whose amount or maturity is uncertain. These provisions are recognised in the Consolidated Interim Statement of Financial Position when all of the following requirements are met:

a. It is a present obligation (legal or constructive) as a result of past events and,
b. as of the publication date of the financial statements, the Bank will probably have to expend resources to settle the obligation and;
c. the amount of these resources can be reliably measured.

Contingent assets or contingent liabilities encompass all potential rights or obligations arising from past events. These are only confirmed if one or more uncertain future occurrences are not wholly within the Bank's control.

The Interim Consolidated Financial Statements reflect all significant provisions for which it is estimated that the probability of having to meet the obligation is more likely than not. Provisions are quantified using the best available information regarding the consequences of the event giving rise to them and are reviewed and adjusted at the end of the accounting period. Provisions are used when the liabilities for which they were originally recognised are settled. Partial or total reversals are recognised when such liabilities cease to exist or are reduced.

Provisions are classified according to the obligation covered as follows:

a. Provisions for employee salaries and expenses
b. Provisions for mandatory dividends
c. Provisions for contingent loan risks
d. Provisions for contingencies

t. Income tax and deferred taxes

The Bank recognises, where appropriate, deferred tax assets and liabilities for the estimated future tax effects attributable to differences between the carrying amounts of assets, liabilities and their tax bases. Deferred tax assets and liabilities are calculated using the tax rate applied in the year the deferred tax assets and liabilities are realised or settled according to current tax legislation. The future effects of tax legislation or tax rate changes are recognised in deferred taxes from when the law approving such changes is published.

Current tax assets relate to provisional payments in excess of the provision for income tax or other income tax credits, such as training expenses or donations to universities. In addition, it should be included the monthly provision payments to be recovered for profits absorbed by tax losses. In the case of liabilities, they correspond to the provision for income tax calculated based on the tax results for the period, minus the mandatory or voluntary provisional payments and other credits applied to this obligation.

For its presentation in the Consolidated Statements of Financial Position, under IAS12, the tax items should be cleared at the taxing entity's level as deemed appropriate to subsequently add the net balances per taxing entity on a consolidated level.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

u. Employee benefits

1. Post-employment benefits – Defined Benefit Plan:

According to the current collective labour covenant and other agreements, Banco Santander-Chile makes available an additional benefit for its main executives consisting of a pension plan, aiming for them to have the necessary funds for a supplementary pension upon their retirement.

Features of the Plan:

The main features of the Post-Employment Benefits Plan promoted by the Banco Santander-Chile are:

a. Aimed at the Bank's management.
b. The general requirement is that the beneficiary must still hold their position within the Bank by the time they turn 60 years old.
c. The Bank will contract a mixed collective insurance policy (life and savings) for each executive, with the contracting party and beneficiary being the Group company to which the executive belongs. Periodic contributions will be made equal to the amount each manager commits to their voluntary contribution plan.
d. The Bank will be responsible for granting the benefits directly.

The projected unit credit method calculates the present value of the defined benefit obligation and the current service cost. Components of defined benefit cost include:

a. Current and past service costs are recognised in profit or loss for the period.
b. Net interest over the net defined benefit liability (asset), recognised in profit or loss for the period.
c. New net defined benefit liability (asset) measurements include: (a) actuarial gains and losses; (b) the performance of the plan's assets, and (c) changes in the effect of the asset ceiling, which are recognised in other comprehensive income.

The net defined benefit liability is the deficit or surplus, calculated as the difference between the present value of the defined benefit obligation minus the fair value of plan assets.

The plan assets comprise the pension fund procured by the Bank through an unrelated third party. These assets are held by an entity legally separated from the Bank and exist solely to pay employees their benefits.

The Bank recognises the present service cost and the net interest of the 'Personnel wages and expenses' on the Interim Consolidated Statement of Income. The plan's structure does not generate actuarial gains or losses. The plan's performance is established and fixed during the period; consequently, there are no changes to the asset's ceiling. Accordingly, there are no amounts recognised in other comprehensive income.

The post-employment benefits liability, recognised in the Consolidated Statement of Financial Position, represents the deficit or surplus in the defined benefit plans of the Bank. Any surplus resulting from the calculation is limited to the present value of any economic benefits available in terms of the plan's reimbursements or reductions to future contributions.

When employees abandon the plan before meeting the requirements to become eligible for the benefit, the Bank's contributions decrease.

2. Severance package:

Severance packages by years of employment are recorded only when they actually occur or upon the availability of a formal and detailed plan in which the fundamental modifications to be made are identified, provided that such plan has already started to be implemented or its principal features have been publicly announced, or objective facts about its activation are known.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Cash-settled share-based payments:

The Bank allocates cash-settled share-based payments to executives of the Bank and its Subsidiaries under IFRS 2. Accordingly, the Bank measures the services received and the obligation incurred at fair value.

Until the obligation is settled, the Bank calculates the fair value at the end of each reporting period and at the date of settlement, recognising any change to fair value in the income statement for the period.

v. Use of estimates

Preparing the Interim Consolidated Financial Statements requires the Bank's Management to make estimates and assumptions that affect applying the accounting policies and the reported values of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from these estimates.

In certain cases, the International Financial Reporting Standards (IFRS) require that assets or liabilities be recorded or disclosed at their fair value. The fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between informed market participants at the measurement date. When available, quoted market prices in active markets have been used for measurement. When the trade prices of an active market are not available, the Bank estimates such values based on the best information available, including internal modelling and other valuation techniques.

The Bank has established provisions to cover potential credit loss per the regulations issued by the FMC. These allowances must be regularly reviewed, considering factors such as changes in the nature and volume of the loan portfolio, trends in forecasted portfolio quality, credit quality, and economic conditions that may adversely affect the borrowers' ability to pay. Increases in the allowances for loan loss are reflected as 'Provisions for loan loss' in the Consolidated Statement of Income.

Loans are written off when the contractual rights for the cash flows expire. Nevertheless, for loans and accounts receivable from customers, the Bank will charge off per Title II of Chapter B-2 of the Compendium of Accounting Standards issued by the FMC. Charge-offs are recorded as a reduction of credit risk provisions.

The Bank's Management regularly reviews the relevant estimates and assumptions used to calculate provisions quantifying certain assets, liabilities, revenues, expenses, and commitments. Revised accounting estimates are recorded in the period the estimate is revised and in any affected future period.

These estimates are based on the best available information and mainly refer to the following:

a. Allowances for loan loss (Notes 13 and 41)
b. Impairment loss on certain assets (Notes 11, 13, 15, 16, 17, 39 and 40)
c. The useful lives of tangible and intangible assets (Notes 15, 16 and 17)
d. The fair value of assets and liabilities (Notes 8, 11, 12, 13 and 44)
e. Commitments and contingencies (Note 29)
f. Current and deferred taxes (Note 18)

w. Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the reported period. Diluted earnings per share are calculated similarly to basic earnings. Still, the weighted average number of outstanding shares is adjusted to consider the potential diluting effect of stock options, warrants, and convertible debt. As of June 30, 2022, and 2021 and December 31, 2021, the Bank does not hold any instruments that have a dilutive effect on equity.

NOTE 02 - BREAKDOWN OF SIGNIFICANT ACCOUNTING POLICIES, continued

x. Temporary acquisition (assignment) of assets

Purchases or sales of financial assets under non-optional repurchase agreements at a fixed price (repos) are recorded in the Consolidated Statements of Financial Position as a financial assignment based on the nature of the debtor (the creditor) under 'Deposits in the Central Bank of Chile', 'Deposits in financial institutions' or 'Loans and accounts receivable from customers' ('Deposits from Central Bank of Chile', 'Deposits from financial institutions' or 'Deposits and collections').

The difference between the purchase and sale prices is recorded as financial interest over the contract's life.

y. Assets and investment funds managed by the Bank

The assets managed by the different companies that form part of the Bank's consolidation perimeter (Santander SA Sociedad Securitizadora) that third parties own are not included in the Consolidated Statements of Financial Position. Nonetheless, the Consolidated Statement of Income includes management fees in 'Fee and commission income'.

z. Provision for mandatory dividends

As of June 30, 2022, and 2021 and December 31, 2021, the Bank recorded a liability (provision) for minimum or mandatory dividends. This provision is made under Article 79 of the Chilean Corporation Law, which is under the Bank's internal policy, which requires at least 30% of net income for the period to be distributed, except in the case of a contrary resolution adopted at the respective shareholders' meeting by unanimous vote of the outstanding shares. This provision is recorded as a deduction from 'Retained earnings' under 'Provision for dividends, interest payments and repricing of equity financial instruments' in the Interim Consolidated Statements of Changes in Equity.

NOTE 03 - NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND ADOPTED OR ISSUED AND NOT YET ADOPTED

1. Pronouncements issued and adopted

As of the date these Interim Consolidated Financial Statements were published, the new accounting pronouncements issued by both the FMC and the International Accounting Standards Board, which the Bank has fully adopted, are set out below:

a. Accounting Standards issued by the Financial Market Commission.

Circular No 2243 - Compendium of Accounting Standards for Banks (CASB) As of December 20, 2019, the FMC issued the updated version of the Compendium of Accounting Standards for Banks (CASB). It mainly incorporates the new amendments introduced by the International Accounting Standards into the International Financial Reporting Standards (IFRS) in recent years, particularly the IFRS 9, 15 and 16. It also establishes new delimitations or clarifications due to the need to follow more prudential criteria (i.e., chapter 5 of impairment of IFRS 9), detailed in chapter A-2. The amendments seek greater convergence with the IFRS to improve financial information disclosure and contribute to the transparency of the banking system. As of April 20, 2020, the FMC issued Circular N°2249 postponing the implementation of the new CASB from January 1, 2022, with a transition date of January 1, 2021, for comparative financial statements in March 2022.
Furthermore, the criteria changes to the suspension of the recognition of interest and indexation income (Chapter B-2) must be adopted no later than January 1, 2022, with a transition date at the beginning of any month before such date, recording the impact on equity and disclosing the date on which this criterion was adopted. *The Bank has determined that the main impacts are related to applying the IFRS 9 in the valuation of financial instruments and applying the new exposure factors to determine the provisions related to contingent loans. These changes entailed the Bank's Equity increased by approximately 6.7%.*

Circular No. 2295 - Compendium of Accounting Standards and Information System Manual. Adjustments and instruction updates. As of October 7, 2021, the FMC issued this circular after several analyses related to the Basel III standards implementation. As a result, the FMC has decided to amend some of the CASB's instructions to align with these standards. Likewise, some adjustments aiming to improve the Amendments introduced to the Compendium are contemplated in Circular No 2243, as of December 20, 2019, with the main goal of reconciling it with various changes observed in the International Financial Reporting Standards (IFRS), particularly regarding provisions of IFRS 9, replacing IAS39. *The Bank has implemented all amendments in preparing the financial statements and the reports submitted to the Central Bank.*

Circular No 2305 - Amends Chapter C-1. As of February 16, 2022, by virtue of the regulation review that the Commission prepared, it has determined necessary to amend Table No 2 of Annex No 6 to Chapter C-1 of the Compendium of Accounting Standards for banks (CASB). This was included in the amendment to the CASB agreed upon in Circular No 2249 of 2019, with the last update published on October 7, 2021, by Circular No 2295. This table is part of note 48 in the Financial Statements and refers to the indicators of the level of solvency for regulatory compliance. *The Bank has implemented this amendment in preparing its first financial statements as of March 2022.*

b. Accounting Standards issued by the International Accounting Standards Board.

Annual Improvements to IFRSs 2018-2020. As of May 15, 2020, the IASB issued the following improvements:

1. IFRS 1 First Adoption of IFRS - Subsidiary as first-time adopter: the amendment allows a subsidiary that applies paragraph D16 (a) of IFRS 1 to measure the accumulated differences using the amounts reported by its parent by date.
2. IFRS 9 Financial Instruments - Fees in the '10% test' for derecognition of financial liabilities: This amendment clarifies that fees should include an entity when it applies the '10% test' in paragraph B3.3.6 of IFRS 9 when assessing the derecognition of a liability. An entity will recognise only commissions paid and received between the entity (the debtor) and the lender, including commissions paid and received by the entity or the lender on behalf of others.
3. IFRS 16 Leases - Lease Incentives: The amendment to the Illustrative Example 13 that accompanies IFRS 16 removes the illustration of the lessor's reimbursement for improvements from the example to resolve any possible confusion concerning the treatment of leasing incentives arising from how such incentives are depicted in such example.
4. IAS 41 Agriculture - Taxes in Fair Value Measurement: the amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude tax cash flows when measuring the fair value of a biological asset using the present value technique. This will guarantee consistency with the requirements of IFRS 13.

The improvements to IFRS 1, IFRS 9 and IAS 41 take effect as of January 1, 2022, with earlier application permitted. The amendment to IFRS 16 only refers to an illustrative example, so it does not require an enactment date. *The Bank has implemented these improvements without significant impacts.*

Improvements to IAS 16 Property, plant and equipment - Income before intended use. As of May 15, 2020, the IASB published this improvement, which prohibits deducting from the cost of an item of property, plant and equipment any income from the sale of items produced while they are located and placed in the necessary conditions for it to operate in the manner intended by management. Instead, an entity shall recognise the revenue from selling those items and the cost of producing them in profit or loss. This amendment is effective as of January 1, 2022, with early application permitted. *The Bank has implemented these improvements without significant impacts.*

NOTE 03 - NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND ADOPTED OR ISSUED BUT NOT YET ADOPTED, continued

Amendment IAS 37 - Onerous contracts, costs of fulfilling a contract. As of May 15, 2020, the IASB published this amendment, establishing that the cost of fulfilling a contract comprises the costs directly related to the contract. The costs that are directly related to a contract can be incremental costs of fulfilling that contract (examples would be direct labour and materials) or an allocation of other costs that are directly related to the fulfilment of contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used to fulfil the contract). This amendment is effective as of January 1, 2022, with early application permitted. *The Bank has implemented these improvements without significant impacts.*

Amendment to IFRS 3 - Reference to the conceptual framework. As of 15 May 2020, the IASB published this amendment which updates IFRS 3 to refer to the 2018 Conceptual Framework instead of the 1989 Framework. Additionally, it adds to IFRS 3 a requirement for transactions and other events within the scope of IAS 37 or IFRIC 21 for an acquirer to apply IAS 37 or IFRIC 21 (instead of the Conceptual Framework) in identifying liabilities assumed in a business combination and adds an explicit statement stating that an acquirer should not recognise assets contingents acquired in a business combination. This amendment is effective as of January 1, 2022, with early application permitted. *The Bank has implemented these improvements without significant impacts.*

2. Pronouncements issued which have not yet been adopted

As of the reporting date of these Interim Consolidated Financial Statements, new International Financial Reporting Standards had been published, as well as their interpretation and the FMC standards, which were not mandatory as of June 30, 2022. Accordingly, while the IASB permits an early application in some cases, the Bank has not undertaken its application by such date.

a. Accounting Standards issued by the Financial Market Commission.

There are no new accounting pronouncements issued by the FMC.

b. Accounting Standards issued by the International Accounting Standards Board.

Amendments to IFRS 10 and IAS 28 - Sale and Contribution of Assets between an Investor and its Associate or Joint Venture – As of September 11, 2014, the IASB published this amendment, which clarifies the scope of the gains and losses recognised in a transaction involving an associate or joint venture, stating this depends on whether the asset sold or the contribution constitutes a business. Therefore, the IASB concluded that all gains or losses should be recognised at the business' loss of control. Likewise, profit or loss resulting from the sale or contribution of a non-business subsidiary (IFRS 3 definition) to an associate or joint venture must be recognised only to the extent of the unrelated interests in such associate or joint venture.

This standard initially took effect on January 1, 2016. Nevertheless, on December 17, 2015, the IASB issued an 'Effective Date of Amendment to IFRS 10 and IAS 28', postponing this standard's enactment indefinitely. *Accordingly, the Administration will await the new validity to assess the potential effects of this modification.*

Amendment to IAS 1 - Classification of liabilities as current and non-current – As of January 23, 2020, the IASB issued this modification that affects only the presentation of liabilities in the statement of financial position. The classification as current or non-current should be based on the rights existing at the end of the reporting period and align the wording in all the affected paragraphs by referring to the right to defer settlement for at least 12 months and specify that only rights outstanding at the end of the reporting period affect the classification of a liability. Along the same lines, it specifies that the classification is not affected by the expectations of whether an entity will exercise its right to defer a liability settlement and clarifies that the settlement refers to the transfer of cash, equity instruments, and other assets or services to the counterparty. This modification is effective as of January 1, 2023, with retroactive effect, and early application is allowed. *Accordingly, this standard has no impact on the Bank's financial position.*

Amendment to IAS 8 - Definition of Accounting Estimates. As of February 12, 2021, the IASB published this amendment to help entities distinguish between accounting policy and accounting estimate. A definition of accounting estimates replaces the definition of change in accounting estimates. According to the new definition, accounting estimates are 'monetary amounts in the financial statements subject to measurement uncertainty'.
The amendments are effective for annual periods beginning on or after January 1, 2023 and include changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is allowed. *Accordingly, this standard has no impact on the Bank's financial position.*

NOTE 03 - NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND ADOPTED OR ISSUED BUT NOT YET ADOPTED, continued

Amendment to IAS 1 and Statements of the practice of IFRS 2 - Disclosures of accounting policies. As of February 12, 2021, the IASB published this amendment intended to assist preparers in deciding which accounting policies should be disclosed in their financial statements. The modifications include:

- An entity is required to disclose its material accounting policy information rather than its significant accounting policies.
- It explains how an entity might identify material accounting policies and gives examples of when accounting policies are likely to be materials.
- The amendments clarify that information on accounting policies may be material due to its nature, even if the amounts related are immaterial
- The amendments clarify that information about accounting policies is material if the users of the statements and financiers of an entity will need it to understand other material information in the financial statements.
- The amendments clarify that if an entity discloses immaterial accounting policy information, such information will not hide the information accounting policy material.

Furthermore, the IFRS 2 Practice Statement has been modified to add guidance and examples explaining and showing the application of the 'four-step materiality process' within the accounting policy information to support the amendments to IAS 1.

Modifications are applied prospectively. The amendments to IAS 1 are effective for annual periods beginning on January 1, 2023. Early application is allowed. Once the entity applies the amendments to IAS 1, it can also apply amendments to the IFRS 2 Practice Statement. *The Bank's management will assess the impact of this standard on the presentation of the statement of financial position.*

Amendment IAS 12 - Deferred taxation of assets and liabilities arising from a single transaction. This Amendment was issued on May 7, 2021, concerning the management of deferred taxes on transactions such as leases and decommissioning obligations. In these situations, entities must recognise deferred assets and liabilities in the event that temporary differences occur, both deductible and taxable for the same amount. The modifications are effective in the financial year starting on January 1, 2023, with early application allowed. *The Bank's management will assess the impact of this standard on the presentation of the statement of financial position.*

Amendment of IFRS 17 - Initial Application of IFRS 17 and IFRS 9, Comparative information. This Amendment issued on December 9, 2021, permits an entity that applies IFRS 17 and IFRS 9 for the first time to simultaneously apply a 'classification overlap' in order to present comparative information about financial assets if said comparative information has not been restated under IFRS9. A financial asset's comparative information will not be restated if the entity chooses not to restate prior periods or the entity restates prior periods but the financial asset has been derecognised during them. An entity that chooses to apply the amendment does so when it first implements IFRS 17 (January 1, 2023). *The Bank's management will evaluate the impact that this rule will have on presenting the statement of financial position.*

NOTE 04 - ACCOUNTING CHANGES

As of December 20, 2019, through Circular No. 2243, the FMC issued the new version of the CASB, which mainly incorporates the new amendments introduced by the International Accounting Standards Board (IASB) to the International Financial Reporting Standards (IFRS) in recent years, particularly concerning IFRS 9, 15 and 16. Furthermore, this update enabled unifying the presentation formats, improved the openness of financial information and clarified the restrictions and limitations of IFRS.

As a result of the above, the main changes introduced to the CASB correspond to chapters A-1, A-2, B-2, C-1, C-2, and C-3 and can be summarised in the following points:

- Incorporation of IFRS 9 excepting Chapter 5.5 on impairment of loans classified as 'financial assets at amortised cost'. On this issue, banking institutions should apply CASB Chapter B-1 to determine loan portfolio impairment.
- Changes in the presentation formats of the Statement of Financial Position and Statement of Income by adopting IFRS9 instead of IAS39.
- Incorporation of new presentation formats for the Statement of Other Comprehensive Income and the Statement of Changes in Equity and guidelines on financing and investing activities for the Statement of Cash Flows.
- Incorporation of a financial report 'Management Commentary' (as per IASB Practice Paper No 1), which will complement the information provided in the interim and annual financial statements.
- Amendments to the financial statements' notes: on the note on financial assets at amortised cost and the risk management and reporting note, in order to better comply with the disclosure criteria contained in IFRS 7. Also, related party disclosures are aligned with IAS 24.
- Changes to the chart of accounts in Chapter C-3 of the CASB, both in the codification of accounts and in the description of accounts.
- Criterion amendment for suspending the recognition of interest and indexation income on an accrual basis for any loan overdue by 90 days or more.
- Adequacy of the limitations and clarifications to the use of IFRS contained in Chapter A-2 of the CASB, which are summarised as follows:

  - ✓ Special rules on provisions (B-1 to B-7): in case of discrepancies, these take precedence over generally accepted accounting principles.
  - ✓ Recognition of purchase and sale transactions of financial instruments at the trade date.
  - ✓ Excluding the treatment of embedded derivatives from the methods of readjustment of transactions in Chilean currency authorised by the Central Bank of Chile (UF, IVP or UTM).
  - ✓ The valuation basis of goodwill and other intangibles is backed by two reports from qualified and independent professionals.
  - ✓ Financial assets impairment and charge-offs: as set out in paragraphs 5.5 and 5.4.1(a) and (b), 5.4.3 and 5.4.4 of IFRS 9, these shall not apply to loans and receivables ('Due from banks' and 'Loans and receivables from customers').
  - ✓ Valuation of fixed assets (IAS 16), intangible assets (IAS 38), investment property (IAS 40) and leasehold assets (IFRS 16): the cost methodology should be applied as a subsequent measurement.
  - ✓ IFRS 16 and the role of the lessor, concerning leasing transactions in which the Bank acts as lessor, the updated Compilation of Standards for banks (RAN) 8-37 and Chapters B-1, B-2 and B-3 of the new CASB must be applied. Accordingly, paragraph 77 of IFRS 16 on impairment and derecognition does not apply.
  - ✓ Valuation and classification of AT1 instruments, bonds with no fixed maturity and preference shares must initially be valued at fair value minus transaction costs. Transaction costs may be deferred for up to 5 years, including issuance costs.
  - ✓ Valuation and classification of T2 instruments and subordinated bonds must be initially valued at fair value minus transaction costs.
  - ✓ Under IAS 21, assets and liabilities payable in Pesos indexed at a foreign exchange rate or documented in a foreign currency do not constitute transactions denominated in a foreign currency.
  - ✓ IFRS 9 on hedges, when applying IFRS 9 for the first time, one may elect to continue to use IAS 39 for hedge accounting.

As of October 7, 2021, the FMC, through Circular No. 2.295, updated the new CASB to incorporate the accounting information necessary to bring the financial statements in line with the full implementation of Basel III. In detail, the modifications include:

a. IFRS 9 on the accounting treatment of instruments eligible for additional tier 1 (AT1) and tier 2 (T2) capital
b. IAS8 for event-driven errors related to operational risk events
c. IAS37 on the determination of provisions for operational risk

Furthermore, Chapter B-1 on the aggregate exposure for the group commercial portfolio was amended. A longer deadline for its adoption was proposed, independent of the first implementation date of the CASB, and consistency adjustments were made to the Bank Information System Manual to make some regulatory files of the Accounting and Product System compatible with the amendments made to the CASB.

NOTE 04 - ACCOUNTING CHANGES, continued

The new CASB and its amendments are applicable from January 1, 2022, with a transition date of January 1, 2021, for the comparative financial statements to be published in March 2022. At the same time, the group assessment criterion should be considered from July 1, 2022. Transition impacts should be recorded against the equity item 'non-earnings reserves' on January 1, 2021.

The main impacts of the implementation of the new CASB are detailed and explained below:

a. Reconciliation of assets

The main adjustments arising from the migration to the CASB in equity are as follows:

	As of January 1, 2021 MCh$	As of December 31, 2021 MCh$
Assets before regulatory changes	**3,652,599**	**3,494,580**
Adjustments:		
Fair value of loans	1,408	(6,062)
Fair value of minority investments	174	-
Provisions associated with unrestricted, automatically cancelled credit lines	12,124	18,278
Fair value of investments at maturity	-	311,761
Provision for held-to-maturity investments	-	(710)
Provision for investments at fair value through other comprehensive income	-	-
Minimum dividends	-	(1,287)
Subtotal	**13,706**	**321,980**
Deferred taxes on adjustments	(3,701)	(87,283)
Total adjustments	**10,005**	**234,697**
Total Equity according to CASB	**3,662,604**	**3,729,277**

b. Reconciliation of results

The main adjustments resulting from the migration to the CASB in the Result are as follows:

	As of December 31, 2021 MCh$
Result before regulatory changes	**774,959**
Adjustments:	
Provisions associated with unrestricted, automatically cancelled credit lines	6,154
Fair value of held-to-maturity investments at amortised cost	(710)
Provision for investments at fair value through other comprehensive income	-
Subtotal	**5,444**
Deferred taxes on adjustments	(1,470)
Total adjustments	**3,974**
Results according to CASB	**778,933**

NOTE 04 - ACCOUNTING CHANGES, continued

c. Explanation of adjustments

a. **Fair value of loans**
The Bank has established a Business Model for a particular group of loans. The management's defined objective is to hold or sell. This portfolio is classified as financial assets at fair value through other comprehensive income and measured at fair value. The adjustment consists of incorporating this fair value.

b. **Fair value of minority investments**
The Bank has elected to measure minority shareholding investments irrevocably at fair value through other comprehensive income following IFRS9 5.7.5. The adjustment corresponds to the inclusion of this fair value. This investment was finally sold during 2021 and therefore has no effect as of December 31, 2021.

c. **Provisions associated with unrestricted, automatically cancelled credit lines**
According to Chapter B-3 of the new CASB, unrestricted and immediately repayable credit lines must consider an FCC equivalent to 10% in determining the exposure to provisions. Under the previous compendium, this percentage was 35%. The adjustment is the percentage change to determine the exposure.

d. **Fair value of investments at maturity**
The Bank has reclassified financial instruments measured at fair value through other comprehensive income to a business model that, according to its objective, should be measured at amortised cost. Accordingly, following IFRS9 5.6.5, cumulative gains or losses previously recognised in other comprehensive income shall be removed from equity and adjusted against the fair value of the financial asset at the date of reclassification. The adjustment consists of eliminating the accumulated fair value in other comprehensive income.

e. **Provision for held-to-maturity investments**
According to IFRS 9 5.5.1, the Bank must recognise provisions for expected credit loss on financial assets measured at amortised cost. Therefore, the adjustment is the recognition of such a provision.

f. **Provision for investments at fair value through other comprehensive income**
According to IFRS 9 5.5.1, the Bank must recognise provisions for expected credit loss on financial assets measured at fair value through other comprehensive income. Nevertheless, the provision should be recognised in other comprehensive income against profit or loss.

g. **Minimum dividends**
Article 79 of the Chilean Corporation Law stipulates that at least 30% of the net profit for the year shall be distributed. This adjustment consists of determining 30% of the adjustments affecting the result for the year.

h. **Deferred taxes**
This adjustment consists of determining the deferred taxes related to the adjustments made.

These adjustments, both in equity and profit or loss, are generated by adopting the FMC's CASB and therefore do not correspond to the recognition of prior period mistakes following IAS 8.

NOTE 04 - ACCOUNTING CHANGES, continued

d. Pro-forma financial statements in accordance with the CASB:

The Pro-forma Consolidated Statement of Position for the opening balances as of January 1, 2021, is as follows:

	As of January 1, 2021			
	Balance Final MCh$	Reclassification MCh$	Adjustments MCh$	Balance Initial MCh$
ASSETS				
Cash and cash equivalent.	2,803,288	-	-	2,803,288
Cash in the process of collection	452,963	-	-	452,963
Financial assets held for trading at fair value through profit or loss	**9,165,803**	**(367,265)**	**-**	**8,798,538**
Financial derivatives contracts	9,032,085	(367,265)	-	8,664,820
Debt financial instruments	133,718			133,718
Other	-	-	-	-
Non-trading financial assets mandatorily measured at fair value through profit or loss	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income	**7,162,542**	**65,689**	**1,408**	**7,229,639**
Debt financial instruments	7,162,542	(2,217)		7,160,325
Other		67,906	1,408	69,314
Financial derivative contracts for hedge accounting	-	367,265	-	367,265
Financial assets at amortised cost	**33,432,349**	**(67,906)**	**-**	**33,364,443**
Rights under repurchase and securities lending agreements	-	-	-	-
Debt financial instruments	-	-	-	-
Interbank loans	18,920	-	-	18,920
Loans and receivables from customers - Commercial	16,390,847	(67,906)	-	16,322,941
Loans and receivables - Mortgage	12,350,544	-	-	12,350,544
Loans and receivables from customers - Consumers	4,672,038	-	-	4,672,038
Investment in companies	10,770	2,217	174	13,161
Intangible assets	82,537	-	-	82,537
Fixed assets	187,240	-	-	187,240
Assets under the right to use leased assets and lease obligations	201,611	-	-	201,611
Current taxes	-	2,897	-	2,897
Deferred taxes	538,118	(129,064)	(3,273)	405,781
Other assets	1,738,856	(49,749)	-	1,689,107
Non-current assets and disposal groups and liabilities included in disposal groups	-	49,749	-	49,749
TOTAL ASSETS	**55,776,077**	**(126,167)**	**(1,691)**	**55,648,219**

NOTE 04 - ACCOUNTING CHANGES, continued

	As of January 1, 2021			
	Balance Final MCh$	Reclassification MCh$	Adjustments MCh$	Balance Initial MCh$
LIABILITIES				
Cash in the process of collection	361,631	-	-	361,631
Financial liabilities held for trading at fair value through profit or loss	**9,018,660**	**(449,137)**	**-**	**8,569,523**
Financial derivatives contracts	9,018,660	(449,137)	-	8,569,523
Other	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Financial derivative contracts for hedge accounting	-	449,137	-	449,137
Financial liabilities at amortised cost	**40,829,586**	**(1,357,539)**	**-**	**39,472,047**
Deposits and other demand liabilities	14,560,893	-	-	14,560,893
Time deposits and other term equivalents	10,581,791	-	-	10,581,791
Obligations under repurchase and securities lending agreements	969,808	-	-	969,808
Interbank borrowing	6,328,599	-	-	6,328,599
Debt financial instruments issued	8,204,177	(1,357,539)	-	6,846,638
Other financial liabilities	184,318	-	-	184,318
Obligations under leasing contracts	149,585	-	-	149,585
Financial instruments of regulatory capital issued	-	1,357,539	-	1,357,539
Provisions for contingencies	456,120	(318,234)	-	137,886
Provisions for dividends, payments of interest and reappreciation of financial instruments of issued regulatory capital	-	155,234	-	155,234
Special provisions for credit risk	-	162,802	(12,124)	150,678
Current taxes	12,977	2,897	-	15,874
Deferred taxes	129,066	(129,064)	428	430
Other liabilities	1,165,853	198	-	1,166,051
Liabilities included in disposal groups for sale	-	-	-	-
TOTAL LIABILITIES	**52,123,478**	**(126,167)**	**(11,696)**	**51,985,615**
EQUITY				
Capital	891,303	-	-	891,303
Reserves	2,341,986	-	8,851	2,350,837
Other comprehensive income accrued income	(27,586)	-	1,154	(26,432)
Items not to be reclassified to profit or loss	-	753	126	879
Items that may be reclassified to profit or loss	(27,586)	(753)	1,028	(27,311)
Retained earnings from prior years	-	-	-	-
Profit (loss) for the year	517,447	-	-	517,447
Minus: Provision for minimum dividends	(155,234)	-	-	(155,234)
Equity holders of the Bank:	**3,567,916**	**-**	**10,005**	**3,577,921**
Non-controlling interest	**84,683**	**-**	**-**	**84,683**
TOTAL EQUITY	**3,652,599**	**-**	**10,005**	**3,662,604**
TOTAL LIABILITIES AND EQUITY	**55,776,077**	**(126,167)**	**(1,691)**	**55,648,219**

NOTE 04 - ACCOUNTING CHANGES, continued

The Pro-forma Consolidated Statement of Position as of December 31, 2021, is as follows:

	As of December 31, 2021			
	Balance Final MCh$	Reclassification MCh$	Adjustments MCh$	Balance Initial MCh$
ASSETS				
Cash and cash equivalent.	2,881,558	-	-	2,881,558
Cash in the process of collection	390,271	-	-	390,271
Financial assets held for trading at fair value through profit or loss	**10,196,954**	**(629,136)**	**-**	**9,567,818**
Financial derivatives contracts	10,123,607	(629,136)	-	9,494,471
Debt financial instruments	73,347	-	-	73,347
Other	-	-	-	-
Non-trading financial assets mandatorily measured at fair value through profit or loss	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income	**5,803,139**	**103,719**	**(6,062)**	**5,900,796**
Debt financial instruments	5,803,139	(1,761)	-	5,801,378
Other	-	105,480	(6,062)	99,418
Financial derivative contracts for hedge accounting	-	629,136	-	629,136
Financial assets at amortised cost	**40,056,687**	**(105,480)**	**311,050**	**40,262,257**
Rights under repurchase and securities lending agreements	-	-	-	-
Debt financial instruments	4,380,680	-	311,050	4,691,730
Interbank loans	428	-	-	428
Loans and receivables from customers - Commercial	17,138,936	(105,480)	-	17,033,456
Loans and receivables - Mortgage	13,802,214	-	-	13,802,214
Loans and receivables from customers - Consumers	4,734,429	-	-	4,734,429
Investment in companies	35,934	1,761	-	37,695
Intangible assets	95,411	-	-	95,411
Fixed assets	190,290	-	-	190,290
Assets under the right to use leased assets and lease obligations	184,528	-	-	184,528
Current taxes	121,534	-	-	121,534
Deferred taxes	759,699	(336,193)	(4,743)	418,763
Other assets	2,955,020	(22,207)	-	2,932,813
Non-current assets and disposal groups and liabilities included in disposal groups	-	22,207	-	22,207
TOTAL ASSETS	**63,671,025**	**(336,193)**	**300,245**	**63,635,077**

NOTE 04 - ACCOUNTING CHANGES, continued

	As of December 31, 2021			
	Balance Final MCh$	Reclassification MCh$	Adjustments MCh$	Balance Initial MCh$
LIABILITIES				
Cash in the process of collection	379,934	-	-	379,934
Financial liabilities held for trading at fair value through profit or loss	**10,871,241**	**(1,364,210)**	**-**	**9,507,031**
Financial derivatives contracts	10,871,241	(1,364,210)	-	9,507,031
Other	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Financial derivative contracts for hedge accounting	-	1,364,210	-	1,364,210
Financial liabilities at amortised cost	**45,525,177**	**(1,461,637)**	**-**	**44,063,540**
Deposits and other demand liabilities	17,900,938	-	-	17,900,938
Time deposits and other term equivalents	10,131,055	-	-	10,131,055
Obligations under repurchase and securities lending agreements	86,634	-	-	86,634
Interbank borrowing	8,826,583	-	-	8,826,583
Debt financial instruments issued	8,397,060	(1,461,637)	-	6,935,423
Other financial liabilities	182,907	-	-	182,907
Obligations under leasing contracts	139,795	-	-	139,795
Financial instruments of regulatory capital issued	-	2,054,105	-	2,054,105
Provisions for contingencies	710,419	(544,873)	-	165,546
Provisions for dividends, payments of interest and reappreciation of financial instruments of issued regulatory capital	-	237,483	1,287	238,770
Special provisions for credit risk	-	307,273	(18,278)	288,995
Current taxes	-	-	-	-
Deferred taxes	345,117	(336,193)	82,539	91,463
Other liabilities	2,204,762	(592,351)	-	1,612,411
Liabilities included in disposal groups for sale	-	-	-	-
TOTAL LIABILITIES	**60,176,445**	**(336,193)**	**65,548**	**59,905,800**
EQUITY				
Capital	891,303	-	-	891,303
Reserves	2,548,965	-	8,851	2,557,816
Other comprehensive income accrued income	(577,524)	-	223,160	(354,364)
Items not to be reclassified to profit or loss	-	576	-	576
Items that may be reclassified to profit or loss	(577,524)	(576)	223,160	(354,940)
Retained earnings from prior years	-	-	-	-
Profit (loss) for the year	774,959	-	3,974	778,933
Minus: Provision for minimum dividends	(237,483)	-	(1,288)	(238,771)
Equity holders of the Bank:	**3,400,220**	**-**	**234,697**	**3,634,917**
Non-controlling interest	**94,360**	**-**	**-**	**94,360**
TOTAL EQUITY	**3,494,580**	**-**	**234,697**	**3,729,277**
TOTAL LIABILITIES AND EQUITY	**63,671,025**	**(336,193)**	**300,245**	**63,635,077**

NOTE 04 - ACCOUNTING CHANGES, continued

The Pro-forma Consolidated Statement of Income as of December 31, 2021, is as follows:

	As of December 31, 2021			
	Balance Final MCh$	Reclassification	Adjustments MCh$	Balance Initial MCh$
Interest income	2,921,097	(1,097,124)	-	1,823,973
Interest expense	(1,104,751)	684,834	-	(419,917)
Net interest income	**1,816,346**	**(412,290)**	**-**	**1,404,056**
Readjustment income	-	1,286,723	-	1,286,723
Readjustment expenses	-	(892,798)	-	(892,798)
Net readjustment income	**-**	**393,925**	**-**	**393,925**
Commission income	578,604	18,365	-	596,969
Commission expenses	(245,853)	-	-	(245,853)
Net commission income	**332,751**	**18,365**	**-**	**351,116**
Financial result per:				
Financial assets and liabilities held for trading	(6,403)	(22,199)	-	(28,602)
Non-trading financial assets mandatorily measured at fair value through profit or loss	-	-	-	-
Financial assets and liabilities designated at fair value through profit or loss	-	-	-	-
Gain or loss on derecognition of financial assets and liabilities not measured at fair value through profit or loss	-	22,199	-	22,199
Foreign exchange, readjustments and hedge accounting of foreign currencies	139,600	(17,326)	-	122,274
Reclassifications of financial assets due to changes in business model	-	-	-	-
Other financial results	-	-	-	-
Net financial result	**133,197**	**(17,326)**	**-**	**115,871**
Results from investments in companies	(663)	188	-	(475)
Results of non-current assets and disposal groups not qualifying as discontinued operations	-	1,538	-	1,538
Other operating income	20,461	(18,799)	-	1,662
TOTAL OPERATING INCOME	**2,302,092**	**(34,399)**	**-**	**2,267,693**
Expenses from obligations to employee benefits	(397,675)	-	-	(397,675)
Administrative expenses	(280,134)	-	-	(280,134)
Depreciation and amortisation	(122,055)	-	-	(122,055)
Impairment of non-financial assets	-	-	-	-
Other operational expenses	(117,054)	17,218	-	(99,836)
OTHER OPERATIONAL EXPENSES	**(916,918)**	**17,218**	**-**	**(899,700)**
OPERATING INCOME BEFORE CREDIT LOSS	**1,385,174**	**17,181**	**-**	**1,367,993**
Credit loss expense for:				
Provisions for credit risk due from banks and loans and receivables from customers	(405,575)	83,751	-	(321,824)
Special provisions for credit risk	-	(143,543)	6,154	(137,389)
Recovery of impaired loans	-	76,999	-	76,999
Impairment for credit risk on other financial assets not measured at fair value through profit or loss	-	(26)	(711)	(737)
Credit loss expense	**(405,575)**	**(17,181)**	**5,443**	**(382,951)**

NOTE 04 - ACCOUNTING CHANGES, continued

Pro-forma Consolidated Statement of Income as of December 31, 2021, continued

	As of December 31, 2021			
	Balance Final MCh$	Reclassification	Adjustments MCh$	Balance Initial MCh$
OPERATIONAL RESULT	**979,599**	**-**	**5,443**	**985,042**
Results from continuing operations before taxes	**979,599**	**-**	**5,443**	**985,042**
Income tax	(194,679)	-	(1,469)	(196,148)
Results from continuing operations after taxes	**784,920**	**-**	**3,974**	**788,894**
Results from discontinued operations before taxes	**-**	**-**	-	-
Discontinued operations taxes	-	-	-	-
Results from discontinued operations after taxes	**-**	**-**	-	-
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (OR PERIOD)	**784,920**	**-**	**3,974**	**788,894**
Attributable to:				
Equity holders of the Bank	774,959	-	3,974	778,933
Non-controlling interest	9,961	-	-	9,961
Earnings per share attributable to equity holders of the Bank:	-	-	-	-
Basic utility	4.11	-	-	4.13
Diluted earnings	4.11	-	-	4.13

NOTE 04 - ACCOUNTING CHANGES, continued

Pro-forma Consolidated Statement of Comprehensive Income as of December 31, 2021, continued

	Balance Final MCh$	Reclassification	Adjustments MCh$	Balance Initial MCh$
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (OR PERIOD)	784,920	-	3,974	788,894
Other comprehensive results for the year:				
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	-	-	-	-
New measurements of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	-	-	-	-
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income	-	-	(174)	(174)
Changes in the fair value of equity instruments designated at fair value through other comprehensive income	-	-	(174)	(174)
Profit or loss on sale of equity instruments (shares) for minority investments in companies in the country	-	-	-	-
Profit or loss on sale of holdings in equity instruments (shares) from minority investments in foreign companies	-	-	-	-
Other	-	-	-	-
Changes in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in the credit risk of the financial liability	-	-	-	-
Share in other comprehensive income of entities accounted for using the equity method	-	(480)	-	(480)
Non-current assets and disposal groups for sale	-	-	-	-
Other	-	-	-	-
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	-	(480)	(174)	(654)
Income tax on other comprehensive results that will not be reclassified to profit or loss	-	130	47	177
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	-	(350)	(127)	(477)
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS				
Changes in the fair value of financial assets at fair value through other comprehensive income	(518,761)	1,237	304,291	(213,233)
Translation differences by foreign entities				
Hedge accounting of net investments in foreign entities	-	-	-	-
Cash flow hedge accounting	(236,816)	-	-	(236,816)
Undesignated elements of hedge accounting instruments	-	-	-	-
Share in other comprehensive income of entities accounted for using the equity method	-	(757)	-	(757)
Non-current assets and disposal groups for sale	-	-	-	-
Other	-	-	-	-
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	(755,577)	480	304,291	(450,806)
Income taxes on other comprehensive income that may be reclassified to profit or loss	205,355	(130)	(82,159)	123,066
TOTAL OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	(550,222)	350	222,132	(327,740)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	(550,222)	-	222,005	(328,217)
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	234,698	-	225,979	460,677
Attributable to:				
Equity holders of the Bank	225,021		225,979	451,000
Non-controlling interest	9,677		-	9,677

NOTE 05 - SIGNIFICANT EVENTS

As of June 30, 2022, the following events, which in the opinion of the Bank's management, are material and have impacted the Bank's operations, have been recorded in the Interim Consolidated Financial Statements.

Board of Directors

On March 22, 2022, at a Directors Board meeting, it was agreed to summon an Ordinary Shareholders' Meeting for April 27, 2022, to propose a profit distribution and dividend payments, taken from 60% of retained earnings on December 31, 2021, equivalent to $ 2.46741747 per share and to propose that the remaining 40% of profits for 2021 be used to increase the Bank's reserves.

Shareholders' Meeting

At the Ordinary Shareholders' Meeting of Banco Santander-Chile held April 27, 2022, along with the approval of the 2021 Consolidated Financial Statements, the shareholders resolved to distribute 60% of the net profit for the year ("Profit attributable to the equity holders"), which amounted to Ch$464,975 million. These earnings are equivalent to a dividend of Ch$2.46741747 per share. Furthermore, the Board approved that the remaining 40% of the profits will be used to increase the Bank's reserves. At the meeting, it was also stated that shareholders had the option to receive all or part of the dividend to which they were entitled under the transitional and optional tax regime provided for in transitional article 25 of Law No 21,210 modernising the Tax Legislation, considering the payment of a tax in lieu of final taxes at a rate of 30%.

At the aforementioned Ordinary Shareholders' Meeting, PricewaterhouseCoopers Consultores Auditores SpA was approved as external auditors for the 2022 financial year.

Other

On February 4, 2022, the Interchange Rates Cap Committee resolved that the new limits for interchange rates will be: 0.6% for debit cards, 1.48% for credit cards, and 1.04% for payment cards with the provision of funds. The Bank has estimated the effects of implementing these limits concerning the results of the means of payment operations at approximately MCh$29,000 for 2022.

NOTE 06 - BUSINESS SEGMENT

The Bank manages and measures the performance of its operations by business segments, the reporting of which is based on the Bank's internal management information system according to the segments established by the Bank.

Inter-segment transactions are conducted under normal commercial terms and conditions. Each segment's assets, liabilities, and results include items directly attributable to the segment on which they can be allocated reasonably. A business segment comprises clients to whom a differentiated product offer is directed while being homogeneous in terms of their performance and measured similarly.

To achieve compliance with the strategic objectives established by the senior management and adapt to changing market conditions, the Bank makes organisational adjustments from time to time. These modifications, in turn, impact how it is managed or administered to a greater or lesser extent. Accordingly, the present disclosure provides information on how the Bank is managed as of June 30, 2021.

The Bank comprises the following business segments:

Retail Banking

It comprises individuals and small to middle-sized companies (SMEs) with an annual income of less than MCh$3,000. This segment gives customers several services, including consumer loans, credit cards, commercial loans, foreign exchange, mortgage loans, debit cards, current accounts, savings products, mutual funds, stockbroking and insurance. Additionally, the SME clients are offered government-guaranteed loans, leasing and factoring.

Middle-market

This segment comprises companies and large corporations with annual sales exceeding MCh$3,000. It serves institutions such as universities, government entities, municipalities and regional governments and companies in the real estate sector, which execute projects for sale to third parties along with all construction companies with annual sales over MCh$800 and no market cap. The companies within this segment have access to many products, including commercial loans, leasing, factoring, trade finance, credit cards, mortgage loans, current accounts, transactional services, treasury services, financial consulting, savings products, mutual funds and insurance. Also, companies in the real estate industry are offered specialised services mainly to finance residential projects and expand mortgage loan sales.

Global Corporate Banking

This segment comprises foreign multinational companies or Chilean multinational companies with sales above MCh$10,000. This segment offers a wide range of products, including commercial lending, leasing, factoring, trade finance, credit cards, mortgage loans, current accounts, transactional services, treasury services, financial consulting, investment banking, savings products, mutual funds and insurance.

This segment also consists of a Treasury Division, which provides sophisticated financial products to Middle-market and Global Corporate Banking companies. These include products such as short-term financing and fundraising, brokerage services, derivatives, securitisation, and other tailor-made products. In addition, the Treasury area may act as a broker for transactions and manage the Bank's investment portfolio.

NOTE 06 - BUSINESS SEGMENTS, continued

Corporate Activities ('Other')

This segment includes Financial Management, which performs the global management of the structural exchange rate item, the parent entity's structural interest rate risk, and the liquidity risk. The latter is managed through the implementation of emissions and utilisations. It also manages its own resources, the capital endowment of each unit and the cost of financing the investments made. All this means that it usually has a negative contribution to the results.

Furthermore, this segment incorporates all intra-segment results and all activities not allocated to a segment or product with customers.

The accounting policies of the segments are the same as those described in the breakdown of accounting policies and are customised to meet the Bank's management needs. The Bank's earnings stem mostly from income proceeding from interests, fees and commissions and financial operations. Accordingly, the highest decision-making authority for each segment relies primarily on interest income, fee income and provision for expenses to assess segment performance and thus make decisions on the resource allocation to the segments.

The following tables show the Bank's balances by business segment as of June 30, 2022, and 2021

	For the period of 6 months until June 30, 2022							
	Loans and receivables from customers (1) MCh$	Demand and time deposits (2) MCh$	Net interest and adjustment income MCh$	Net commission income MCh$	Financial transactions, net (3) MCh$	Provisions MCh$	Support expenses (4) MCh$	Net segment contribution MCh$
Segments								
Retail Banking	26,253,860	13,871,744	566,938	147,778	16,910	(139,084)	(313,083)	279,459
Middle-market	9,077,013	6,054,873	189,870	30,191	10,157	(24,083)	(52,228)	153,907
Corporate Investment Banking	2,713,772	6,654,293	71,094	16,264	75,922	(7,619)	(43,385)	112,276
Corporate Activities ('Other')	112,288	1,038,018	129,650	(2,264)	(3,733)	8,184	(8,286)	123,551
Total	**38,156,933**	**27,618,928**	**957,552**	**191,969**	**99,256**	**(162,602)**	**(416,982)**	**669,193**
Other operating income								1,241
Other operating expenses and impairments								(57,534)
Results of non-current assets and disposal groups not qualifying for discontinued operations								(1,953)
Results from investments in companies								4,393
Results from continuing operations before taxes								**615,340**
Income tax								(86,146)
Profit from continuing operations after taxes								**529,194**
Results from discontinued operations before taxes								-
Discontinued operations tax								-
Results from discontinued operations after taxes								-
Net income for the period								**529,194**

1. Loans receivable from customers plus the balance indebted by banks, without deducting their allowances for loan losses
2. Corresponds to deposits and demand liabilities and deposits and other time deposits.
3. Corresponds to the sum of net income (loss) from financial operations and net foreign exchange gain (loss).
4. Corresponds to the sum of personnel salaries and expenses, administrative expenses, depreciation and amortisation.

NOTE 06 - BUSINESS SEGMENTS, continued

	For the quarter ended June 30, 2022							
	Loans and receivables from customers (1)	Demand and time deposits (2)	Net interest and adjustment income	Net commission income	Financial transactions, net (3)	Provisions	Support expenses (4)	Net segment contribution
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Segments								
Retail Banking	26,253,860	13,871,744	284,356	73,893	7,818	(72,278)	(162,475)	131,314
Middle-market	9,077,013	6,054,873	95,692	14,356	5,611	(18,897)	(27,888)	68,874
Corporate Investment Banking	2,713,772	6,654,293	37,327	8,259	33,990	(7,334)	(22,109)	50,133
Corporate Activities ('Other')	112,288	1,038,018	112,710	(1,685)	(5,021)	7,354	(4,307)	109,051
Total	**38,156,933**	**27,618,928**	**530,085**	**94,823**	**42,398**	**(91,155)**	**(216,779)**	**359,372**
Other operating income								1,020
Other operating expenses and impairments								(37,848)
Results of non-current assets and disposal groups not qualifying for discontinued operations								(1,053)
Results from investments in companies								3,033
Results from continuing operations before taxes								**324,524**
Income tax								(35,036)
Profit from continuing operations after taxes								**289,488**
Results from discontinued operations before taxes								-
Discontinued operations tax								-
Results from discontinued operations after taxes								-
Net income for the period								**289,488**

(1) Loans receivable from customers plus the balance indebted by banks, without deducting their allowances for loan losses
(2) Corresponds to deposits, demand liabilities, and other time deposits.
(3) Corresponds to the sum of net income (loss) from financial operations and net foreign exchange gain (loss).
(4) Corresponds to the sum of personnel salaries and expenses, administrative expenses, depreciation and amortisation.

NOTE 06 - BUSINESS SEGMENTS, continued

			For the period of 6 months until June 30, 2021					
	Loans and receivables from customers (1)	Demand and time deposits (2)	Net interest and adjustment income	Net commission income	Financial transactions, net (3)	Provisions	Support expenses (4)	Net segment contribution
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Segments								
Retail Banking	24,828,047	13,527,229	516,696	146,695	18,033	(117,740)	(308,970)	254,714
Middle-market	8,238,078	5,961,899	162,883	23,172	10,361	(24,246)	(43,921)	128,249
Corporate Investment Banking	1,533,073	8,369,591	45,919	10,455	56,442	4,562	(36,421)	80,957
Corporate Activities ('Other')	78,692	1,619,340	132,000	(16,733)	(15,546)	(40,644)	(5,357)	53,720
Total	**34,677,890**	**29,478,059**	**857,498**	**163,589**	**69,290**	**(178,068)**	**(394,669)**	**517,640**
Other operating income								740
Other operating expenses and impairments								(42,712)
Results of non-current assets and disposal groups not qualifying for discontinued operations								841
Results from investments in companies								925
Results from continuing operations before taxes								**477,434**
Income tax								(103,584)
Profit from continuing operations after taxes								**373,850**
Results from discontinued operations before taxes								-
Discontinued operations tax								-
Results from discontinued operations after taxes								-
Net income for the period								**373,850**

1. Loans receivable from customers plus the balance indebted by banks, without deducting their allowances for loan losses
2. Corresponds to deposits and demand liabilities and deposits and other time deposits.
3. Corresponds to the sum of net income (loss) from financial operations and net foreign exchange gain (loss).
4. Corresponds to the sum of personnel salaries and expenses, administrative expenses, depreciation and amortisation.

NOTE 06 - BUSINESS SEGMENTS, continued

	For the quarter ended June 30, 2021							
	Loans and receivables from customers (1)	Demand and time deposits (2)	Net interest and adjustment income	Net commission income	Financial transactions, net (3)	Provisions	Support expenses (4)	Net segment contribution
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Segments								
Retail Banking	24,828,047	13,527,229	258,578	74,066	9,574	(65,159)	(156,123)	120,936
Middle-market	8,238,078	5,961,899	82,980	9,135	4,688	(14,333)	(23,062)	59,408
Corporate Investment Banking	1,533,073	8,369,591	23,824	3,059	28,227	4,227	(18,730)	40,607
Corporate Activities ('Other')	78,692	1,619,340	68,406	(5,471)	(2,411)	(15,259)	(2,733)	42,532
Total	**34,677,890**	**29,478,059**	**433,788**	**80,789**	**40,078**	**(90,524)**	**(200,648)**	**263,483**
Other operating income								325
Other operating expenses and impairments								(21,486)
Results of non-current assets and disposal groups not qualifying for discontinued operations								595
Results from investments in companies								622
Results from continuing operations before taxes								**243,539**
Income tax								(53,970)
Profit from continuing operations after taxes								**189,569**
Results from discontinued operations before taxes								-
Discontinued operations tax								-
Results from discontinued operations after taxes								-
Net income for the period								**189,569**

(1) Loans receivable from customers plus the balance indebted by banks, without deducting their allowances for loan losses
(2) Corresponds to deposits, demand liabilities, and other time deposits.
(3) Corresponds to the sum of net income (loss) from financial operations and net foreign exchange gain (loss).
(4) Corresponds to the sum of personnel salaries and expenses, administrative expenses, depreciation and amortisation.

NOTE 07 - CASH AND CASH EQUIVALENTS

i. The detail of the balances included under cash and cash equivalents is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Cash and deposits in banks			
Cash	1,439,190	883,322	665,397
Deposits at the Central Bank of Chile	367,995	673,396	1,313,394
Deposits in foreign Central Banks	-	-	-
Deposits in domestic banks	481	30,265	1,571
Deposits foreign banks	1,082,715	1,294,575	822,926
Subtotals cash and deposits with banks	**2,890,381**	**2,881,558**	**2,803,288**
Cash items in the process of collection	80,907	10,337	91,332
Other cash equivalents	-	-	-
Total cash and cash equivalents	**2,971,288**	**2,891,895**	**2,894,620**

The balance of funds held in cash at the Central Bank of Chile follows regulations concerning requirements and technical reserves that the Bank must maintain on average every month, although these funds are immediately available.

ii. Operations in the process of settlement:

Cash items in the process of collection are transactions in which only the settlement— that will increase or decrease the funds at the Central Bank or abroad – is pending. This process usually happens within the next 24 to 48 working hours following the transaction. These operations are presented as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Assets			
Documents held by other banks (document to be cleared)	119,168	122,474	137,396
Funds to be received	388,295	267,797	315,567
Subtotal	**507,463**	**390,271**	**452,963**
Liabilities			
Funds to be paid	426,556	379,934	361,631
Subtotal	**426,556**	**379,934**	**361,631**
Cash items in the process of collection	**80,907**	**10,337**	**91,332**

NOTE 08 - FINANCIAL ASSETS HELD FOR TRADING WITH CHANGES IN PROFIT AND LOSS

a) As of June 30, 2022, December 31, 2021, and January 1, 2021, the Bank holds the following portfolio of financial assets held for trading at fair value through profit or loss:

		Fair value		
		As of June 30,	As of December 31,	As of January 1,
		2022 MCh$	2021 MCh$	2021 MCh$
Financial derivatives contracts				
Forwards		2,295,055	1,088,194	1,085,327
Swaps		12,192,726	8,402,868	7,573,091
Call options		6,958	3,232	1,527
Put options		515	177	4,875
Future		-	-	-
Other		-	-	-
	Subtotal	14,495,254	9,494,471	8,664,820
Debt financial instruments				
Instruments of the Chilean Central Bank and Government		75,876	68,649	132,246
Other financial debt instruments issued in the country		4,778	4,698	1,472
Financial debt instruments issued abroad		3,245	-	-
	Subtotal	83,899	73,347	133,718
Other financial instruments				
Mutual Fund Investments		-	-	-
Equity instruments		-	-	-
Loans originated and purchased by the entity		-	-	-
Other		-	-	-
	Subtotal	-	-	-
Total		14,579,153	9,567,818	8,798,538

a. Details of the financial derivative contracts as of June 30, 2022, December 31, and January 1, 2021, are as follows:

	June 30, 2022								
	Notional								
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	Over 5 years MCh$	Total MCh$	Fair value MCh$
Financial derivatives contracts									
Currency forwards	-	8,620,777	4,535,413	9,170,829	3,891,227	655,161	795,147	**27,668,554**	**2,295,055**
Interest rate swaps	-	3,060,657	6,525,683	21,690,479	26,516,497	13,917,043	21,515,580	**93,225,939**	**4,958,123**
Currency and interest rate swaps	-	397,204	1,201,834	6,314,092	15,027,966	12,805,533	20,710,981	**56,457,610**	**7,234,603**
Currency call options	-	46,939	26,401	49,812	-	-	-	**123,152**	**6,958**
Call interest rate options	-	-	-	-	-	-	-	-	-
Put currency options	-	11,180	9,221	11,065	-	-	-	**31,466**	**515**
Put interest rate options	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-
Total	-	12,136,757	12,298,552	37,236,277	45,435,690	27,377,737	43,021,708	177,506,721	14,495,254

NOTE 08 - FINANCIAL ASSETS HELD FOR TRADING WITH CHANGES IN PROFIT AND LOSS, continued

As of June 30, 2022, December 31, and January 1, 2021, the detail of the derivative financial instruments portfolio for trading is as follows.

	December 31, 2021								
	Notional								
	On demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	Over 5 years	Total	Fair value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial derivatives contracts									
Currency forwards	-	4,975,740	4,892,023	5,873,439	2,272,048	1,404,498	572,858	**19,990,606**	**1,088,194**
Interest rate swaps	-	3,073,729	4,409,984	11,320,119	19,002,414	14,025,972	19,384,413	**71,216,631**	**3,009,922**
Currency and interest rate swaps	-	1,134,097	1,717,410	6,962,984	21,317,376	22,326,462	37,994,088	**91,452,417**	**5,392,946**
Currency call options	-	3,344	24,593	36,394	-	-	-	**64,331**	**3,232**
Call interest rate options	-	-	-	-	-	-	-	-	-
Put currency options	-	10,715	5,268	8,545	-	-	-	**24,528**	**177**
Put interest rate options	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-
Total	**-**	**9,197,625**	**11,049,278**	**24,201,481**	**42,591,838**	**37,756,932**	**57,951,359**	**182,748,513**	**9,494,471**

	January 1, 2021								
	Notional								
	On demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	Over 5 years	Total	Fair value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial derivatives contracts									
Currency forwards	-	-	-	1,244,754	5,645,675	1,783,647	11,250,025	**19,924,101**	**1,085,327**
Interest rate swaps	-	-	-	384,663	3,029,804	1,101,706	59,850,516	**64,366,689**	**3,651,652**
Currency and interest rate swaps	-	-	4	768,763	1,176,087	377,713	80,292,346	**82,614,913**	**3,921,439**
Currency call options	-	-	-	30,895	11,406	3,042	11,484	**56,827**	**1,527**
Call interest rate options	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	87,705	2,054	7,595	68,624	**165,978**	**4,875**
Put interest rate options	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**4**	**2,516,780**	**9,865,026**	**3,273,703**	**151,472,995**	**167,128,508**	**8,664,820**

NOTE 09 - NON-MARKETABLE FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Bank has no assets classified in this category.

NOTE 10 - FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Bank has no assets classified in this category.

NOTE 11 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income correspond to:

Financial assets at fair value through other comprehensive income **Debt financial instruments**	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Instruments of the Chilean Central Bank and Government			
Debt financial instruments of the Central Bank of Chile	2,712,097	3,258,417	1,008,450
Bonds and promissory notes of the Treasury General of the Republic	1,215,065	981,939	5,344,910
Other fiscal debt financial instruments	339	-	-
Subtotal	**3,927,501**	**4,240,356**	**6,353,360**
Under repurchase agreement	*625,743*	*86,554*	*969,409*
Other financial debt instruments issued in the country			
Debt financial instruments of other banks in the country	10,998	11,773	14,514
Bonds and bills of exchange of domestic companies	-	-	-
Other financial debt instruments issued in the country	22	-	-
Subtotal	**11,020**	**11,773**	**14,514**
Under repurchase agreement	*185,988*	*80*	*399*
Financial debt instruments issued abroad			
Foreign Central Bank debt financial instruments	1,428,575	1,438,155	269,803
Financial debt instruments of foreign governments and fiscal entities abroad	-	-	-
Debt financial instruments of other banks abroad	-	-	-
Bonds and bills of exchange of companies abroad	-	-	-
Other financial debt instruments issued abroad	578,302	111,094	522,648
Subtotal	**2,006,877**	**1,549,249**	**792,451**
Under repurchase agreement	-	-	-
Other financial instruments			
Loans originated and purchased by the entity			
Interbank loans	-	-	-
Commercial loans	-	-	-
Mortgage loans	75,229	99,418	69,314
Consumer loans	-	-	-
Other	-	-	-
Subtotal	**75,229**	**99,418**	**69,314**
TOTAL	**6,020,627**	**5,900,796**	**7,229,639**

In debt financial instruments, the item "Of Chilean Central Bank and Government' includes instruments that guarantee margins on derivative transactions through Comder Contraparte Central SA for MCh$212,080, MCh$115,680 and MCh$158,600 as of June 30, 2022, December 31, 2021, and January 1, 2021, respectively.
In debt financial instruments, the item 'Debt financial instruments issued abroad' includes instruments that guarantee margins on derivative transactions through the London Clearing House (LCH) in the amount of MCh$140,162 and MCh$83,673 as of June 30, 2022, and December 31, 2021, respectively. Furthermore, to comply with the initial margin specified by the European Market Infrastructure Regulation (EMIR), collateral instruments are held with Euroclear for an amount of MCh$359,627, MCh$461,419, MCh$258,183 as of June 30, 2022, December 31, 2021, and January 1, 2021, respectively.
Provisions for credit risk on debt financial instruments amounted to MCh$833, MCh$ 703 and MCh$1,138 as of June 30, 2022, December 31, 2021, and January 1, 2021, respectively.
Provisions for credit risk on commercial loans amounted to MCh$255, MCh$236 and MCh$1,371 as of June 30, 2022, December 31, 2021, and January 1, 2021, respectively.
As of June 30, 2022, December 31, 2021, and January 1, 2021, fair value changes from debt financial instruments and commercial loans are included in other comprehensive income accrued:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Unrealised profit (loss)	(136,074)	(112,925)	101,719
attributable to equity holders	(136,819)	(113,695)	100,559
attributable to non-controlling interest	745	770	1,160

NOTE 11 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, continued

Debt financial instruments generated the following gross realised gains and losses on the sale of instruments. There are no sales of commercial loans at fair value with effects in other comprehensive income:

	As of June 30,	
	2022 MCh$	2021 MCh$
Sales of available-for-sale investments that generate realised profit	302,107	1,728,731
Profit incurred	521	11,194
Sales of available-for-sale investments that generate realised loss	715,254	1,247,044
Loss incurred	83	4,944

The movement of expected credit loss as of June 30, 2022, is as follows:

Debt financial instruments	Phase 1 MCh$	Phase 2 MCh$	Phase 3 MCh$	Total
Expected credit loss as of January 1, 2022	703	-	-	703
Newly acquired assets	1,097	-	-	1,097
Transfer to phase 1	-	-	-	-
Transfer to phase 2	-	-	-	-
Transfer to phase 3	-	-	-	-
Assets derecognised (excluding charge-offs)	-	-	-	-
Change in measurement without portfolio reclassifying during the period	(796)	-	-	(796)
Sale or assignment of loans	(333)	-	-	(333)
Adjustment for changes and other	162	-	-	162
As of June 30, 2022	833	-	-	833

Commercial loans	Phase 1 MCh$	Phase 2 MCh$	Phase 3 MCh$	Total
Expected credit loss as of January 1, 2022	226	-	-	226
Newly acquired assets	-	-	-	-
Transfer to phase 1	-	-	-	-
Transfer to phase 2	-	-	-	-
Transfer to phase 3	-	-	-	-
Assets derecognised (excluding charge-offs)	(86)	-	-	(86)
Change in measurement without portfolio reclassifying during the period	(10)	-	-	(10)
Sale or assignment of loans	-	-	-	-
Adjustment for changes and other	125	-	-	125
As of June 30, 2022	255	-	-	255

NOTE 11 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, continued

The movement of expected credit loss as of December 31, 2021, is as follows:

Debt financial instruments	Phase 1 MCh$	Phase 2 MCh$	Phase 3 MCh$	Total
Expected credit loss as of January 1, 2021	1,138	-	-	1,138
Newly acquired assets	3,293	-	-	3,293
Transfer to phase 1	-	-	-	-
Transfer to phase 2	-	-	-	-
Transfer to phase 3	-	-	-	-
Assets derecognised (excluding charge-offs)	(3,608)	-	-	(3,608)
Change in measurement without portfolio reclassifying during the period	(120)	-	-	(120)
Sale or assignment of loans	-	-	-	-
Adjustment for changes and other	-	-	-	-
As of December 31, 2021	703	-	-	703

Commercial loans	Phase 1 MCh$	Phase 2 MCh$	Phase 3 MCh$	Total
Expected credit loss as of January 1, 2021	1,371	-	-	1,371
Newly acquired assets	151	-	-	151
Transfer to phase 1	-	-	-	-
Transfer to phase 2	-	-	-	-
Transfer to phase 3	-	-	-	-
Assets derecognised (excluding charge-offs)	(1,358)	-	-	(1,358)
Change in measurement without portfolio reclassifying during the period	88	-	-	88
Sale or assignment of loans	(26)	-	-	(26)
Adjustment for changes and other	-	-	-	-
As of December 31, 2021	226	-	-	226

The Bank assessed those instruments with unrealised loss as of June 30, 2022, and concluded they were not impaired. This review assessed the economic drivers of any decline, the securities' issuer credit ratings and the Bank's intention and ability to hold the securities until the unrealised loss is recovered. Based on this analysis, the Bank considers there are no significant or prolonged declines or changes in credit risk to cause impairment in its investment portfolio. Most of these instruments' fair value decline was caused by market conditions that the Bank considers temporary. All instruments with unrealised loss as of June 30, 2022, were not in a continuous unrealised loss position for over one year.

The following table shows debt instruments and commercial loans at fair value through other comprehensive income accrued of unrealised gains and losses as of June 30, 2022, December 31, 2021, and January 1, 2021:

	As of June 30, 2022			
	Amortised cost MCh$	Fair value MCh$	Unrealised profit MCh$	Unrealised loss MCh$
Instruments of the Chilean Central Bank and Government				
Debt financial instruments of the Central Bank of Chile	2,712,174	2,712,097	19	(79)
Bonds and promissory notes of the Treasury General of the Republic	1,117,552	1,215,065	-	(122,793)
Other fiscal debt financial instruments	339	339	-	-
Subtotal	3,830,065	3,927,501	19	(122,872)
Other financial debt instruments issued in the country				
Debt financial instruments of other banks in the country	-	-	-	-
Bonds and bills of exchange of domestic companies	9,922	10,998	113	(4)
Financial institution bond	-	-	-	-
Chilean companies' bond	-	-	-	-
Other financial debt instruments issued in the country	986	22	-	(964)
Subtotal	10,908	11,020	113	(968)
Foreign Central Bank debt financial instruments				
Financial debt instruments of foreign governments and fiscal entities abroad	1,429,923	1,428,575	-	(1,348)
Debt financial instruments of other banks abroad	-	-	-	-
Bonds and bills of exchange of companies abroad	-	-	-	-
Other financial debt instruments issued abroad	579,650	578,302	-	(1,348)
Subtotal	2,009,573	2,006,877	-	(2,696)
Loans originated and purchased by the entity				
Commercial loans	84,635	75,229	-	(9,406)
Subtotal	84,635	75,229	-	(9,406)
Total	5,935,181	6,020,627	132	(135,942)

NOTE 11 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, continued

	As of December 31, 2021			
	Amortised cost MCh$	Fair value MCh$	Unrealised profit MCh$	Unrealised loss MCh$
Instruments of the Chilean Central Bank and Government				
Debt financial instruments of the Central Bank of Chile	3,257,912	3,256,656	515	(12)
Bonds and promissory notes of the Treasury General of the Republic	1,087,503	981,939	1,051	(106,615)
Other fiscal debt financial instruments	-	-	-	-
Subtotal	**4,345,415**	**4,238,595**	**1,566**	**(106,627)**
Other financial debt instruments issued in the country				
Debt financial instruments of other banks in the country	11,933	13,534	1,639	(38)
Bonds and bills of exchange of domestic companies	-	-	-	-
Financial institution bond	-	-	-	-
Chilean companies' bond	-	-	-	-
Other financial debt instruments issued in the country	-	-	-	-
Subtotal	**11,933**	**13,534**	**1,639**	**(38)**
Foreign Central Bank debt financial instruments	1,442,753	1,438,155	1,145	(5,743)
Financial debt instruments of foreign governments and fiscal entities abroad	-	-	-	-
Debt financial instruments of other banks abroad	-	-	-	-
Bonds and bills of exchange of companies abroad	-	-	-	-
Other financial debt instruments issued abroad	109,901	111,094	1,193	-
Subtotal	**1,552,654**	**1,549,249**	**2,338**	**(5,743)**
Loans originated and purchased by the entity				
Commercial loans	105,480	99,418	-	(6,062)
Subtotal	**105,480**	**99,418**	**-**	**(6,062)**
Total	**6,015,482**	**5,900,796**	**5,543**	**(118,470)**

	As of January 1, 2021			
	Amortised cost MCh$	Fair value MCh$	Unrealised profit MCh$	Unrealised loss MCh$
Instruments of the Chilean Central Bank and Government				
Debt financial instruments of the Central Bank of Chile	1,008,450	1,008,450	-	-
Bonds and promissory notes of the Treasury General of the Republic	5,288,189	5,344,910	98,996	(39,459)
Other fiscal debt financial instruments	-	-	-	-
Subtotal	**6,296,639**	**6,353,360**	**98,996**	**(39,459)**
Other financial debt instruments issued in the country				
Debt financial instruments of other banks in the country	11,680	14,514	2,834	-
Bonds and bills of exchange of domestic companies	-	-	-	-
Financial institution bond	-	-	-	-
Chilean companies' bond	-	-	-	-
Other financial debt instruments issued in the country	-	-	-	-
Subtotal	**11,680**	**14,514**	**2,834**	**-**
Foreign Central Bank debt financial instruments	269,301	269,803	20,443	(19,941)
Financial debt instruments of foreign governments and fiscal entities abroad	-	-	-	-
Debt financial instruments of other banks abroad	-	-	-	-
Bonds and bills of exchange of companies abroad	-	-	-	-
Other financial debt instruments issued abroad	482,394	522,648	40,254	-
Subtotal	**751,695**	**792,451**	**60,697**	**(19,941)**
Loans originated and purchased by the entity				
Commercial loans	67,906	69,314	(1,408)	-
Subtotal	**67,906**	**69,314**	**(1,408)**	**-**
Total	**7,127,920**	**7,229,639**	**161,119**	**(59,400)**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES

As of June 30, 2022, December 31, 2021, and January 1, 2021, the Bank holds the following portfolio of fair value hedging and cash flow hedge derivatives:

	As of June 30, 2022									
	Notional amount								Fair value	
	On demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	More than 5 years	Total	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedge derivatives										
Currency forwards	-	-	-	-	-	-	-	-	-	-
Interest rate swaps	-	-	135,220	1,179,132	6,892,820	758,784	2,060,938	**11,026,894**	148,847	1,033,975
Currency and interest rate swaps	-	15,676	585,546	2,511,207	2,256,700	1,554,751	1,351,670	**8,266,550**	500,227	75,170
Currency call options	-	-	-	-	-	-	-	-	-	-
Call interest rate options	-	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	-	-	-	-	-	-	-
Put interest rate options	-	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-	-
Subtotal	-	**15,676**	**720,766**	**3,690,339**	**9,149,520**	**2,304,535**	**3,412,608**	**19,293,444**	**649,074**	**1,109,145**
Cash flow hedge derivatives										
Currency forwards	-	366,275	33,087	2,300,335	-	-	-	**2,699,697**	5,402	27,291
Interest rate swaps	-	-	-	-	-	-	-	-	-	-
Currency and interest rate swaps	-	-	73,396	2,655,019	6,738,698	2,638,989	2,417,882	**14,533,957**	239,949	1,246,453
Currency call options	-	-	-	-	-	-	-	-	-	-
Call interest rate options	-	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	-	-	-	-	-	-	-
Put interest rate options	-	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-	-
Subtotal	-	**366,275**	**106,456**	**4,965,354**	**6,738,698**	**2,638,989**	**2,417,882**	**17,233,654**	**245,351**	**1,273,744**
Total	-	**381,951**	**827,222**	**8,655,693**	**15,888,218**	**4,943,524**	**5,830,490**	**36,527,098**	**894,425**	**2,382,889**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

	As of December 31, 2021									
	Notional amount								Fair value	
	On demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	More than 5 years	Total	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedge derivatives										
Currency forwards	-	-	-	-	-	-	-	-	-	-
Interest rate swaps	-	20,000	190,000	87,817	6,278,000	384,713	1,842,686	**8,803,216**	22,933	587,702
Currency and interest rate swaps	-	42,926	295,548	3,056,063	1,168,120	2,272,472	1,585,870	**8,420,999**	493,175	118,199
Currency call options	-	-	-	-	-	-	-	-	-	-
Call interest rate options	-	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	-	-	-	-	-	-	-
Put interest rate options	-	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**62,926**	**485,548**	**3,143,880**	**7,446,120**	**2,657,185**	**3,428,556**	**17,224,215**	**516,108**	**705,901**
Cash flow hedge derivatives										
Currency forwards	-	238,719	120,343	920,279	-	-	-	**1,279,341**	3,497	1,590
Interest rate swaps	-	-	-	-	-	-	-	-	-	-
Currency and interest rate swaps	-	221,147	235,537	1,033,671	5,103,045	3,341,606	3,024,988	**12,959,994**	109,531	656,719
Currency call options	-	-	-	-	-	-	-	-	-	-
Call interest rate options	-	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	-	-	-	-	-	-	-
Put interest rate options	-	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**459,866**	**355,880**	**1,953,950**	**5,103,045**	**3,341,606**	**3,024,988**	**14,239,335**	**113,028**	**658,309**
Total	**-**	**522,792**	**841,428**	**5,097,830**	**12,549,165**	**5,998,791**	**6,453,544**	**31,463,550**	**629,136**	**1,364,210**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

	As of January 1, 2021									
	Notional amount								Fair value	
	On demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	More than 5 years	Total	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedge derivatives										
Currency forwards	-	-	-	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	5,524,801	**5,524,801**	33,816	83,666
Currency and interest rate swaps	-	-	17,442	58,141	139,634	-	6,338,869	**6,554,086**	294,562	178,529
Currency call options	-	-	-	-	-	-	-	-	-	-
Call interest rate options	-	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	-	-	-	-	-	-	-
Put interest rate options	-	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**17,442**	**58,141**	**139,634**	**-**	**11,863,670**	**12,078,887**	**328,378**	**262,195**
Cash flow hedge derivatives										
Currency forwards	-	-	-	-	871,829	817,761	1,536,598	**3,226,188**	2,985	3,556
Interest rate swaps	-	-	-	-	-	-	-	-	-	-
Currency and interest rate swaps	-	-	-	29,070	113,995	93,764	10,463,393	**10,700,222**	35,902	183,386
Currency call options	-	-	-	-	-	-	-	-	-	-
Call interest rate options	-	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	-	-	-	-	-	-	-
Put interest rate options	-	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**29,070**	**985,824**	**911,525**	**11,999,991**	**13,926,410**	**38,887**	**186,942**
Total	**-**	**-**	**17,442**	**87,211**	**1,125,458**	**911,525**	**23,863,661**	**26,005,297**	**367,265**	**449,137**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

1. **Micro-hedge accounting**

Fair value micro-hedges

The Bank uses cross-currency swaps, interest rate swaps, and call money swaps to cover its exposure to changes in the hedged item's fair value attributable to the interest rate. These hedging instruments change the effective cost of long-term issues from a fixed to a floating interest rate.

The following is a detail of hedged items and hedging instruments under fair value hedges, effective as of June 30, 2022, December 31, and January 1, 2021, separated by their type of term to maturity:

	As of June 30, 2022							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Credits and receivables from customers								
Commercial loans	-	-	-	29,508	-	-	-	**29,508**
Investment instruments at FVOCI								
Sovereign bond Chile	-	-	-	-	-	-	-	**-**
Mortgage bills	-	-	-	-	-	-	-	**-**
US Treasury bonds	-	-	-	-	92,212	645,484	1,415,454	**2,153,150**
Bonds of the General Treasury of the Republic	-	-	-	-	-	-	-	**-**
Bonds of the Central Bank of Chile	-	-	-	-	-	-	-	**-**
Deposits and other time equivalents:								
Term deposit	-	-	181,326	1,185,195	172,608	-	-	**1,539,129**
Issued debt instruments:								
Current or senior bonds	-	-	184,424	107,717	2,139,557	1,399,617	1,264,260	**5,079,575**
Subordinated Bonds	-	-	-	-	92,212	165,434	184,424	**442,070**
Interbank borrowing:								
Interbank loans	-	15,676	355,016	2,317,919	-	-	-	**2,688,611**
Loans from the Central Bank of Chile	-	-	-	-	6,178,000	-	-	**6,178,000**
Total	**-**	**15,676**	**720,766**	**3,640,339**	**8,674,589**	**2,204,535**	**2,854,138**	**18,110,043**
Hedging instrument:								
Currency and interest rate swaps	-	15,676	585,546	2,511,207	2,131,769	1,545,751	793,200	**7,583,149**
Forwards	-	-	135,220	1,129,132	6,542,820	658,784	2,060,938	**10,526,894**
Total	**-**	**15,676**	**720,766**	**3,640,339**	**8,674,589**	**2,204,535**	**2,854,138**	**18,110,043**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

	As of December 31, 2021							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Credits and receivables from customers								
Commercial loans	-	42,724	183,713	42,724	-	-	-	**269,161**
Investment instruments at FVOCI								
Sovereign bond Chile	-	-	-	12,817	-	71,093	18,371	**102,281**
Mortgage bills	-	202	-	-	-	-	-	**202**
US Treasury bonds	-	-	-	-	-	213,620	1,226,179	**1,439,799**
Bonds of the General Treasury of the Republic	-	-	-	-	-	73,915	-	**73,915**
Bonds of the Central Bank of Chile	-	-	-	-	-	-	-	**-**
Deposits and other time equivalents:								
Term deposit	-	20,000	162,538	68,358	-	-	-	**250,896**
Issued debt instruments:								
Current or senior bonds	-	-	30,000	616,751	1,182,672	2,198,556	1,414,970	**5,442,949**
Subordinated Bonds	-	-	-	-	85,448	-	170,896	**256,344**
Interbank borrowing:								
Interbank loans	-	-	-	1,779,882	-	-	-	**1,779,882**
Loans from the Central Bank of Chile	-	-	-	-	6,178,000	-	-	**6,178,000**
Total	**-**	**62,926**	**376,251**	**2,520,532**	**7,446,120**	**2,557,184**	**2,830,416**	**15,793,429**
Hedging instrument:								
Currency and interest rate swaps	-	42,926	286,251	2,482,715	1,168,120	2,272,471	987,730	**7,240,215**
Forwards	-	20,000	90,000	37,817	6,278,000	284,713	1,842,686	**8,553,216**
Total	**-**	**62,926**	**376,251**	**2,520,532**	**7,446,120**	**2,557,184**	**2,830,416**	**15,793,429**

	As of January 1, 2021							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Investment instruments at FVOCI								
Sovereign bond Chile	-	-	-	10,687	10,687	40,662	346,822	**408,858**
Mortgage bills	-	-	-	-	918	-	-	**918**
US Treasury bonds	-	-	-	-	-	142,494	35,624	**178,118**
Bonds of the General Treasury of the Republic	-	-	-	-	-	-	-	**-**
Bonds of the Central Bank of Chile	-	-	-	-	-	-	-	**-**
Deposits and other time equivalents:								
Term deposit	-	58,238	-	-	58,217	-	-	**116,454**
Issued debt instruments:								
Current or senior bonds	-	17,442	50,000	20,580	721,264	1,730,754	1,682,682	**4,222,722**
Subordinated Bonds	-	-	-	-	-	249,365	142,494	**391,859**
Interbank borrowing:								
Interbank loans	-	-	-	-	-	-	-	**-**
Loans from the Central Bank of Chile	-	-	-	-	-	3,865,000	-	3,865,000
Total	**-**	**75,680**	**50,000**	**31,267**	**791,086**	**6,028,275**	**2,207,622**	**9,183,929**
Hedging instrument:								
Currency and interest rate swaps	-	75,680	-	20,580	755,398	1,643,808	1,713,663	**4,209,129**
Forwards	-	-	50,000	10,687	35,687	4,384,467	493,960	**4,974,801**
Total	**-**	**75,680**	**50,000**	**31,267**	**791,085**	**6,028,275**	**2,207,623**	**9,183,930**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

Cash flow micro-hedging

The Bank uses cross-currency swaps to hedge the risk of the variability of cash flows attributable to changes in the interest rate of bonds and interbank loans issued at floating rates and to hedge foreign currency fluctuations, mainly in US dollars. In addition, it uses both forward and cross-currency swaps to hedge the inflation risk on certain items.

The following are the nominal amounts of the hedged items as of June 30, 2022, December 31, 2022, and January 1, 2021, and the period in which the flows will occur:

	As of June 30, 2022							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Loans and receivables at amortised cost								
Mortgage loans	-	45,533	27,263	4,107,228	5,424,998	1,638,005	1,577,002	**12,820,029**
Investment instruments at FVOCI								
Sovereign bond Chile	-	-	-	-	-	-	-	**-**
Bonds of the Central Bank of Chile	-	-	-	-	-	-	-	**-**
Bonds of the General Treasury of the Republic	-	-	-	-	-	429,370	191,906	**684,276**
Deposits and other time equivalents:								
Term deposit	-	-	-	-	-	-	-	**-**
Issued debt instruments:								
Current or senior bonds	-	-	-	-	297,781	-	-	**297,781**
Subordinated Bonds	-	320,742	79,193	529,389	1,015,919	508,614	648,973	**3,102,830**
Interbank borrowing:	-							
Interbank loans	-	-	-	328,738	-	-	-	**328,738**
Total	**-**	**366,275**	**106,456**	**4,965,355**	**6,738,698**	**2,638,989**	**2,417,881**	**17,233,654**
Hedging instrument:								
Currency and interest rate swaps	-	-	73,369	2,665,020	6,738,698	2,638,989	2,417,881	**14,533,957**
Forwards	-	366,275	33,087	2,300,335	-	-	-	**2,699,697**
Total	**-**	**366,275**	**106,456**	**4,965,355**	**6,738,698**	**2,638,989**	**2,417,881**	**17,233,654**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

	As of December 31, 2021							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Loans and receivables at amortised cost								
Mortgage loans	-	331,694	355,880	1,131,422	4,364,910	2,015,703	2,176,996	**10,376,605**
Investment instruments at FVOCI								
Sovereign bond Chile	-	-	-	-	-	-	-	**-**
Bonds of the Central Bank of Chile	-	-	-	-	-	-	-	**-**
Bonds of the General Treasury of the Republic	-	-	-	-	-	532,190	209,411	**741,601**
Deposits and other time equivalents:								
Term deposit	-	-	-	85,448	-	-	-	**85,448**
Issued debt instruments:								
Current or senior bonds	-	85,448	-	480,736	738,135	793,713	638,581	**2,736,613**
Subordinated Bonds	-	-	-	-	-	-	-	**-**
Interbank borrowing:								
Interbank loans	-	42,724	-	256,344	-	-	-	**299,068**
Total	**-**	**459,866**	**355,880**	**1,953,950**	**5,103,045**	**3,341,606**	**3,024,988**	**14,239,335**
Hedging instrument:								
Currency and interest rate swaps	-	221,147	235,537	1,033,671	5,103,045	3,341,606	3,024,988	**12,959,994**
Forwards	-	238,719	120,343	920,279	-	-	-	**1,279,341**
Total	**-**	**459,866**	**355,880**	**1,953,950**	**5,103,045**	**3,341,606**	**3,024,988**	**14,239,335**

	As of January 1, 2021							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Loans and receivables at amortised cost								
Mortgage loans	-	493,914	1,016,935	416,069	2,520,951	1,396,163	3,449,759	**9,293,790**
Investment instruments at FVOCI								
Sovereign bond Chile	-	-	-	-	-	28,282	14,249	**42,532**
Mortgage bills								
US Treasury bonds								
Bonds of the General Treasury of the Republic	-	-	-	-	175,875	174,422	913,797	**1,264,094**
Bonds of the Central Bank of Chile	-	-	-	-	-	-	-	**-**
Deposits and other time equivalents:								
Term deposit	-	-	-	-	-	-	-	**-**
Issued debt instruments:								
Current or senior bonds	-	-	-	167,430	-	-	-	**167,430**
Subordinated Bonds	-	406,985	406,985	311,283	530,300	581,397	558,254	**2,795,204**
Interbank borrowing:								
Interbank loans	-	-	220,866	106,871	35,624	-	-	**363,361**
Loans from the Central Bank of Chile	-	-	-	-	-	-	-	**-**
Total	**-**	**900,899**	**1,644,786**	**1,001,653**	**3,262,750**	**2,180,264**	**4,936,059**	**13,926,410**
Hedging instrument:								
Currency and interest rate swaps	-	29,070	395,288	498,373	2,661,167	2,180,264	4,936,058	**10,700,222**
Forwards	-	871,829	1,249,497	503,280	601,582	-	-	**3,226,188**
Total	**-**	**900,899**	**1,644,785**	**1,001,653**	**3,262,749**	**2,180,264**	**4,936,058**	**13,926,410**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

a. **Projection of flows by interest rate risk:**

The estimation of the periods in which the flows are expected to arise is presented below:

As of June 30, 2022	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	1,218	5,203	24,931	37,934	34,082	59,980	**163,348**
Outflows	-	(1,080)	(354)	(66,035)	(86,308)	(37,472)	(19,294)	**(210,543)**
Net flows	**-**	**138**	**4,849**	**(41,104)**	**(48,374)**	**(3,390)**	**40,686**	**(47,195)**
Hedging instrument								
Inflows	-	(1,218)	(5,203)	(24,931)	(37,934)	(34,082)	(59,980)	**(163,348)**
Outflows (*)	-	1,080	354	66,035	86,308	37,472	19,294	**210,543**
Net flows	**-**	**(138)**	**(4,849)**	**(41,104)**	**(48,374)**	**3,390**	**(40,686)**	**47,195**

(*) Includes only that portion of the hedging instrument's projected cash flows (derivative) used to hedge interest rate risk.

As of December 31, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	-	-	63	97	-	-	**160**
Outflows	-	(21,719)	(1,371)	(992,545)	(274,502)	(196,993)	(69,660)	**(1,556,789)**
Net flows	**-**	**(21,719)**	**(1,371)**	**(992,482)**	**(274,405)**	**(196,993)**	**(69,660)**	**(1,556,629)**
Hedging instrument								
Inflows	-	-	-	(63)	(97)	-	-	(160)
Outflows (*)	-	21,719	1,371	992,545	274,502	196,993	69,660	1,556,789
Net flows	-	**21,719**	**1,371**	**992,482**	**274,405**	**196,993**	**69,660**	**1,556,629**

(*) Includes only that portion of the hedging instrument's projected cash flows (derivative) used to hedge interest rate risk.

As of January 1, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	539	-	17,680	2,284	2,220	292	**23,015**
Outflows	-	(37,846)	(2,679)	(49,778)	(121,885)	(77,936)	(111,379)	**(401,503)**
Net flows	**-**	**(37,307)**	**(2,679)**	**(32,098)**	**(119,601)**	**(75,716)**	**(111,087)**	**(378,488)**
Hedging instrument								
Inflows	-	(539)	-	(17,680)	(2,284)	(2,220)	(292)	**(23,015)**
Outflows (*)	-	37,846	2,679	49,778	121,885	77,936	111,379	**401,503**
Net flows	**-**	**37,307**	**2,679**	**32,098**	**119,601**	**75,716**	**111,087**	**378,488**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

b. **Projection of cash flows by inflation risk:**

As of June 30, 2022	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	94,751	61,493	591,045	1,177,022	822,335	1,054,546	**3,801,192**
Outflows	-	(10,667)	(32,178)	(74,653)	(104,455)	(51,253)	(57,178)	**(330,384)**
Net flows	**-**	**84,084**	**29,315**	**516,392**	**1,072,567**	**771,082**	**997,368**	**3,470,808**
Hedging instrument								
Inflows	-	10,667	32,178	74,653	104,455	51,253	57,178	**330,384**
Outflows	-	(94,751)	(61,493)	(591,045)	(1,177,022)	(822,335)	(1,054,546)	**(3,801,192)**
Net flows	**-**	**(84,084)**	**(29,315)**	**(516,392)**	**(1,072,567)**	**(771,082)**	**(997,368)**	**(3,470,808)**

As of December 31, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	29,673	69,969	124,365	756,915	611,335	824,048	**2,416,305**
Outflows	-	-	(1,722)	(45,306)	(40,278)	(65,673)	(45,406)	**(198,385)**
Net flows	**-**	**29,673**	**68,247**	**79,059**	**716,637**	**545,662**	**778,642**	**2,217,920**
Hedging instrument								
Inflows	-	-	1,722	45,306	40,278	65,673	45,406	**198,385**
Outflows	-	(29,673)	(69,969)	(124,365)	(756,915)	(611,335)	(824,048)	**(2,416,305)**
Net flows	-	**(29,673)**	**(68,247)**	**(79,059)**	**(716,637)**	**(545,662)**	**(778,642)**	**(2,217,920)**

As of January 1, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	114,778	279,780	1,125,286	58,696	-	-	**1,578,540**
Outflows	-	(32,768)	(19,702)	(82,381)	-	-	-	**(134,851)**
Net flows	**-**	**82,010**	**260,078**	**1,042,905**	**58,696**	**-**	**-**	**1,443,689**
Hedging instrument								
Inflows	-	32,768	19,702	82,381	-	-	-	**134,851**
Outflows	-	(114,778)	(279,780)	(1,125,286)	(58,696)	-	-	**(1,578,540)**
Net flows	-	(82,010)	(260,078)	(1,042,905)	(58,696)	-	-	**(1,443,689)**

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

c. **Projection of cash flows by exchange rate risk**

	As of June 30, 2022							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	-	-	-	-	-	-	-
Outflows	-	-	-	(354)	(7,150)	-	-	(7,504)
Net flows	-	-	-	(354)	(7,150)	-	-	(7,504)
Hedging instrument								
Inflows	-	-	-	-	-	-	-	-
Outflows	-	-	-	354	7,150	-	-	7,504
Net flows	-	-	-	354	7,150	-	-	7,504

	As of December 31, 2021							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	-	-	-	-	-	-	-
Outflows	-	-	-	-	-	-	-	-
Net flows	-	-	-	-	-	-	-	-
Hedging instrument								
Inflows	-	-	-	-	-	-	-	-
Outflows	-	-	-	-	-	-	-	-
Net flows	-	-	-	-	-	-	-	-

	As of January 1, 2021							
	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Inflows	-	-	-	-	-	-	-	-
Outflows	-	-	-	-	-	-	-	-
Net flows	-	-	-	-	-	-	-	-
Hedging instrument								
Inflows	-	-	-	-	-	-	-	-
Outflows	-	-	-	-	-	-	-	-
Net flows	-	-	-	-	-	-	-	-

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

1. Effect on other comprehensive income

The valuation generated by those hedging instruments used in cash flow hedges whose effect was recorded in the Interim Consolidated Statements of Changes in Equity, specifically within 'accumulated other comprehensive income', in cash flow hedges, is presented as follows:

Hedged item	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Interbank borrowing	2,682	974	(962)
Time deposits and other term equivalents	-	(8,816)	-
Issued debt instruments	46,637	21,701	(6,990)
Debt instruments at FVOCI	(55,570)	(33,509)	(25,833)
Loans and receivables at amortised cost	(570,091)	(353,931)	(102,980)
Sovereign bond Chile	-	-	-
Total	**(576,342)**	**(373,581)**	**(136,765)**

Considering that the variable flows of both the hedged item and the hedging instrument are mirrors of each other, the hedges are close to 100% efficient; This entails that all variations in value attributable to components of the hedged risk are almost fully netted.
The Bank did not record any forecasted future transactions in its cash flow hedge accounting portfolio during the period.

2. Effect on results

The result generated by the cash flow derivatives whose effect was transferred from other comprehensive income into the results for the period is presented below:

Hedged item	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Bond hedge derivatives	(1,216)	(3,248)	(3,149)
Interbank loans hedge derivatives	(2,361)	(286)	1
Mortgage loans hedge derivatives	(16,748)	(22,160)	-
Cash flow hedge net income (*)	**(20,325)**	**(25,694)**	**(3,148)**

(*) See Note 28 'Equity', letter g).

3. Net investment hedges in foreign operations

As of June 30, 2022, December 31, 2022, and January 1, 2021, the Bank does not have any net foreign investment hedges in its hedge accounting portfolio.

NOTE 12 - FINANCIAL DERIVATIVES CONTRACTS FOR HEDGE ACCOUNTING PURPOSES, continued

4. Fair value macro-hedges

The Bank has macro-hedges for loans and accounts receivable from clients, specifically for the mortgage and commercial loan portfolios. The details are presented below:

	Notional amount							
As of June 30, 2022	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Loans and receivables at amortised cost:								
Mortgage loans	-	-	-	-	132,347	-	638,576	**770,923**
Commercial loans	-	-	-	50,000	350,000	100,000	-	**500,00**
TOTAL	**-**	**-**	**-**	**50,000**	**482,347**	**100,000**	**638,576**	**1,270,923**
Hedging instrument								
Currency and interest rate swaps	-	-	-	-	132,347	-	638,576	**770,923**
Interest rate swaps	-	-	-	50,000	350,000	100,000	-	**500,00**
TOTAL	**-**	**-**	**-**	**50,000**	**482,347**	**100,000**	**638,576**	**1,270,923**

	Notional amount							
As of December 31, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Loans and receivables at amortised cost:								
Mortgage loans	-	-	9,298	573,347	-	-	412,190	**994,835**
Commercial loans	-	-	100,000	50,000	-	100,000	185,950	**435,950**
TOTAL	**-**	**-**	**109,298**	**623,347**	**-**	**100,000**	**598,140**	**1,430,785**
Hedging instrument								
Currency and interest rate swaps	-	-	9,298	573,347	-	-	598,141	**1,180,785**
Interest rate swaps	-	-	100,000	50,000	-	100,000	-	**250,000**
TOTAL	**-**	**-**	**109,298**	**623,347**	**-**	**100,000**	**598,141**	**1,430,785**

	Notional amount							
As of January 1, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 month and 3 months MCh$	Between 3 months and 1 year MCh$	Between 1 year and 3 years MCh$	Between 3 years and 5 years MCh$	More than 5 years MCh$	Total
Hedged item								
Loans and receivables at amortised cost:								
Mortgage loans	-	66,862	174,858	581,407	786,352	-	735,479	**2,344,958**
Commercial loans	-	-	-	400,000	150,000	-	-	**550,000**
TOTAL	-	**66,862**	**174,858**	**981,407**	**936,352**	**-**	**735,479**	**2,894,958**
Hedging instrument								
Currency and interest rate swaps	-	66,862	174,858	581,407	786,352	-	735,479	**2,344,958**
Interest rate swaps	-	-	-	400,000	150,000	-	-	**550,000**
TOTAL	**-**	**66,862**	**174,858**	**981,407**	**936,352**	**-**	**735,479**	**2,894,958**

As of June 30, 2022, December 31, 2021, and January 1, 2021, MCh$179,718, MCh$217,979 and MCh$327,938 are presented under 'other assets' for the fair value of the net assets or liabilities hedged in a macro-hedge (Note 19). As of June 30, 2022, December 31, and January 1, 2021, MCh$75,141, MCh$68,524 and MCh$51,089 are presented in 'other liabilities', respectively, for the mark to market valuation of hedged liabilities in a macro hedge (Note 27).

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST

The composition and balances as of June 30, 2022, December 31, and January 1, 2021, of financial assets at amortised cost are as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of 1 January 2021 MCh$
Financial assets at amortised cost			
Rights under repurchase and securities lending agreements			
Transactions with domestic banks	-	-	-
Transactions with foreign banks	-	-	-
Transactions with other entities in the country	-	-	-
Transactions with other entities abroad	-	-	-
Accrued impairment on rights under repurchase agreements and securities lending agreements	-	-	-
Subtotal	**-**	**-**	**-**
Debt financial instruments			
Instruments of the Chilean Central Bank and Government	4,582,496	4,692,440	-
Other financial debt instruments issued in the country	-	-	-
Financial debt instruments issued abroad	-	-	-
Accrued impairment on debt financial instruments	(833)	(710)	-
Subtotal	**4,581,663**	**4,691,730**	**-**
Interbank loans			
Domestic bank	-	-	-
Provisions for loans to domestic banks	-	-	-
Foreign banks	12	428	18,929
Provisions for loans to foreign banks	-	-	(9)
Central Bank of Chile	-	-	-
Foreign Central Banks	-	-	-
Subtotal	**12**	**428**	**18,920**
Credits and receivables from customers			
Commercial loans	**18,333,042**	**17,653,445**	**16,966,046**
Commercial loans	13,765,210	13,720,913	13,682,285
Foreign trade loans	1,636,823	1,534,792	1,239,272
Current account debtors	129,182	102,361	125,609
Credit card debtors	124,672	116,924	113,917
Factoring transactions	1,011,618	678,502	497,679
Commercial leasing transactions	1,356,528	1,337,698	1,353,313
Student loans	54,433	56,014	63,380
Other loans and accounts receivable	254,576	106,242	13,151
Mortgage loans	**14,723,306**	**13,876,175**	**12,289,264**
Mortgage loans with letters of credit	3,083	4,302	7,809
Endorsable mortgage loans	3,019	3,923	6,585
Mortgage bond-financed loans	85,655	84,974	86,414
Other mutual mortgage loans	14,549,587	13,781,280	12,186,608
Financial leasing transactions for housing	-	-	-
Other loans and accounts receivable	81,962	1,696	1,848
Consumer loans	**5,100,573**	**4,999,247**	**4,926,082**
Consumer loans in instalments	3,567,382	3,592,913	3,671,303
Current account debtors	139,844	122,596	125,528
Credit card debtors	1,389,949	1,280,324	1,125,908
Consumer finance leasing transactions	2,757	3,200	3,121
Other loans and accounts receivable	641	214	222
Provisions established for credit risk	**(1,016,473)**	**(958,769)**	**(958,429)**
Provisions for commercial loans	(648,946)	(619,989)	(643,105)
Provisions for mortgage loans	(105,840)	(73,961)	(61,280)
Provisions for consumer loans	(261,687)	(264,819)	(254,044)
Subtotal	**37,140,448**	**35,570,099**	**33,345,523**
Total Financial Assets at amortised cost	**41,722,123**	**40,262,257**	**33,364,443**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

1. Rights under repurchase and securities lending agreements

The Bank does not hold any instruments with purchase commitment rights as of June 30, 2022, December 31, 2022, and January 1, 2021.

2. Debt financial instruments

As of June 30, 2022, December 31, and January 1, 2021, the composition of debt financial instruments is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Instruments of the Chilean Central Bank and Government			
Debt financial instruments of the Central Bank of Chile	-	-	-
Bonds and promissory notes of the Treasury General of the Republic	4,582,545	4,692,440	-
Other fiscal debt financial instruments	-	-	-
Subtotal	**4,582,545**	**4,692,440**	**-**
Other financial debt instruments issued in the country			
Debt financial instruments of other banks in the country	-	-	-
Bonds and bills of exchange of domestic companies	-	-	-
Other financial debt instruments issued in the country	-	-	-
Subtotal	**-**	**-**	**-**
Financial debt instruments issued abroad			
Foreign Central Bank debt financial instruments	-	-	-
Financial debt instruments of foreign governments and fiscal entities abroad	-	-	-
Debt financial instruments of other banks abroad	-	-	-
Bonds and bills of exchange of companies abroad	-	-	-
Other financial debt instruments issued abroad	-	-	-
Subtotal	**-**	**-**	**-**
Accrued impairment on debt financial instruments	**(882)**	**(710)**	-
Subtotal	**(882)**	**(710)**	**-**
Total	**4,581,663**	**4,691,730**	**-**

This portfolio has no instruments sold to customers and financial institutions under repurchase agreements.

Provisions for credit risk amounted to MCh$882, MCh$710 and MCh$0 as of June 30, 2022, December 31, 2021, and January 1, 2021, respectively.

Analysis of changes in the impairment value as of June 30, 2022, and December 31, 2021, is as follows:

	Phase 1 MCh$	Phase 2 MCh$	Phase 3 MCh$	Total
Balance as of January 1, 2022	710	-	-	710
Change in measurement without portfolio reclassifying during the period	165	-	-	165
Transfer to phase 1	-	-	-	-
Transfer to phase 2	-	-	-	-
Transfer to phase 3	-	-	-	-
New assets originated	-	-	-	-
Sale or assignment of credits	-	-	-	-
Paid from credits	7	-	-	7
Other changes in provisions	-	-	-	-
Balance as of June 30, 2022	882	-	-	882

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

	Phase 1 MCh$	Phase 2 MCh$	Phase 3 MCh$	Total
Balance as of January 1, 2021	-	-	-	-
Change in measurement without portfolio reclassifying during the period	1	-	-	1
Transfer to phase 1	-	-	-	-
Transfer to phase 2	-	-	-	-
Transfer to phase 3	-	-	-	-
New assets originated	709	-	-	709
Sale or assignment of credits	-	-	-	-
Paid from credits	-	-	-	-
Other changes in provisions	-	-	-	-
Balance as of December 31, 2021	710	-	-	710

3. Interbank loans

As of June 30, the detail of amounts owed to banks is as follows:

Interbank loans As of June 30, 2022 (In MCh$)	Financial assets before provisions				Established provisions				
	Normal portfolio Evaluation Individual	Substandard Portfolio Evaluation Individual	Non-performing portfolio Evaluation Individual	Total	Normal portfolio Evaluation Individual	Substandard Portfolio Evaluation Individual	Non-performing portfolio Evaluation Individual	Total	Net financial assets
Banks in the country									
Interbank liquidity loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Current account overdrafts	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in domestic bank	-	-	-	-	-	-	-	-	-
Other loans with domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks									
Interbank liquidity loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Current account overdrafts	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	12	-	-	-	-	-	-	-	12
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-	-	-
Current account deposits with banks abroad for derivative transactions	-	-	-	-	-	-	-	-	-
Other non-transferable deposits with banks abroad	-	-	-	-	-	-	-	-	-
Other loans with foreign banks	-	-	-	-	-	-	-	-	-
Subtotal domestic and foreign banks	12	-	-	-	-	-	-	-	12
Central Bank of Chile									
Current account deposits for derivatives transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other unavailable deposits	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-
Foreign central banks	-	-	-	-	-	-	-	-	-
Current account deposits for derivatives transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other unavailable deposits	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-
Subtotal Central Bank of Chile and foreign Central Banks	-	-	-	-	-	-	-	-	-
TOTAL	12	-	-	-	-	-	-	-	12

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

As of December 31, the detail of amounts owed to banks is as follows:

Interbank loans As of December 31, 2021 (In MCh$)	Financial assets before provisions				Established provisions				
	Normal portfolio Evaluation Individual	Substandard Portfolio Evaluation Individual	Non-performing portfolio Evaluation Individual	Total	Normal portfolio Evaluation Individual	Substandard Portfolio Evaluation Individual	Non-performing portfolio Evaluation Individual	Total	Net financial assets
Banks in the country									
Interbank liquidity loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Current account overdrafts	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in domestic bank	-	-	-	-	-	-	-	-	-
Other loans with domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks									
Interbank liquidity loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Current account overdrafts	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	428	-	-	-	-	-	-	-	428
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-	-	-
Current account deposits with banks abroad for derivative transactions	-	-	-	-	-	-	-	-	-
Other non-transferable deposits with banks abroad	-	-	-	-	-	-	-	-	-
Other loans with foreign banks	-	-	-	-	-	-	-	-	-
Subtotal domestic and foreign banks	428	-	-	-	-	-	-	-	428
Central Bank of Chile									
Current account deposits for derivatives transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other unavailable deposits	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-
Foreign central banks	-	-	-	-	-	-	-	-	-
Current account deposits for derivatives transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other unavailable deposits	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-
Subtotal Central Bank of Chile and foreign Central Banks	-	-	-	-	-	-	-	-	-
TOTAL	428	-	-	-	-	-	-	-	428

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

4. Credits and receivables from customers

The balances of Loans and receivables from customers as of June 30, 2022, and December 31, 2021, are as follows:

Loans and receivables As of June 30, 2022 (MCh$)	Financial assets before provisions						Established provisions						Deductible FOGAPE Covid-19 guarantees	Total	Net financial assets
	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Total	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Subtotal			
	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation					
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group				
Commercial loans															
Commercial loans	7,783,199	4,194,235	919,993	518,504	349,279	**13,765,210**	64,771	65,792	30,246	165,475	172,633	**498,917**	24,398	**523,315**	**13,241,895**
Foreign trade credits Chilean exports	782,665	10,736	44,158	2,434	1,457	**841,450**	15,839	324	3,418	1,317	945	**21,843**	-	**21,843**	**819,607**
Foreign trade credits Chilean imports	710,673	51,713	11,929	16,454	2,282	**793,051**	19,035	1,396	1,325	9,135	1,680	**32,571**	-	**32,571**	**760,480**
Foreign trade credits between third countries	2,322	-	-	-	-	**2,322**	49	-	-	-	-	**49**	-	**49**	**2,273**
Current account debtors	68,577	39,196	11,677	3,261	6,471	**129,182**	1,054	1,239	1,294	1,149	5,266	**10,002**	-	**10,002**	**119,180**
credit card debtors	27,888	86,418	3,236	878	6,252	**124,672**	778	2,824	413	409	4,919	**9,343**	-	**9,343**	**115,329**
Factoring transactions	946,201	50,168	12,724	1,928	597	**1,011,618**	8,931	1,001	1,084	1,123	216	**12,355**	-	**12,355**	**999,263**
Commercial leasing transactions	895,532	226,684	151,337	71,897	11,078	**1,356,528**	3,690	3,890	2,872	10,190	7,466	**28,108**	16	**28,124**	**1,328,404**
Student loans	-	47,099	-	-	7,334	**54,433**	-	1,276	-	-	2,106	**3,382**	-	**3,382**	**51,051**
Other loans and accounts receivable	4,113	240,554	1,214	5,687	3,008	**254,576**	53	2,354	227	3,490	1,838	**7,962**	-	**7,962**	**246,614**
Subtotal	**11,221,170**	**4,946,803**	**1,156,268**	**621,043**	**387,758**	**18,333,042**	**114,200**	**80,096**	**40,880**	**192,288**	**197,069**	**624,532**	**24,414**	**648,946**	**17,684,096**
Mortgage loans															
Loans with mortgage finance	-	2,918	-	-	165	**3,083**	-	7	-	-	28	**35**	-	**35**	**3,048**
Endorsable mortgage mutual loans	-	2,695	-	-	324	**3,019**	-	12	-	-	75	**87**	-	**87**	**2,932**
Mortgage bond-financed loans	-	83,535	-	-	2,120	**85,655**	-	125	-	-	210	**335**	-	**335**	**85,320**
Other mutual mortgage loans	-	14,129,759	-	-	419,828	**14,549,587**	-	24,259	-	-	80,215	**104,474**	-	**104,474**	**14,445,113**
Financial leasing transaction for housing	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
Other loans and accounts receivable	-	79,545	-	-	2,417	**81,962**		88	-	-	821	**909**	-	**909**	**81,053**
Subtotal	**-**	**14,298,452**	**-**	**-**	**424,854**	**14,723,306**	**-**	**24,491**	**-**	**-**	**81,349**	**105,840**	**-**	**105,840**	**14,617,466**
Consumer loans															
Consumer loans in instalments	-	3,420,134	-	-	147,248	**3,567,382**	-	102,685	-	-	105,802	**208,487**	-	**208,487**	**3,358,895**
Current account debtors	-	135,798	-	-	4,046	**139,844**	-	7,321	-	-	3,187	**10,508**	-	**10,508**	**129,336**
Credit card debtors	-	1,377,120	-	-	12,829	**1,389,949**	-	32,249	-	-	10,038	**42,287**	-	**42,287**	**1,347,662**
Consumer finance leasing transactions	-	2,748	-	-	9	**2,757**	-	28	-	-	6	**34**	-	**34**	**2,723**
Other loans and accounts receivable	-	366	-	-	275	**641**	-	149	-	-	222	**371**	-	**371**	**270**
Subtotal	**-**	**4,936,167**	**-**	**-**	**164,407**	**5,100,573**	**-**	**142,432**	**-**	**-**	**119,255**	**261,687**	**-**	**261,687**	**4,838,886**
TOTAL	**11,221,170**	**24,181,421**	**1,156,268**	**621,043**	**977,019**	**38,156,921**	**114,200**	**247,019**	**40,879**	**192,288**	**397,673**	**992,059**	**24,414**	**1,016,473**	**37,140,448**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

Loans and receivables to customers As of December 31, 2021 (MCh$)	Financial assets before provisions						Established provisions						Deductible FOGAPE Covid-19 guarantees (i)	Total	Net financial assets
	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Total	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Subtotal			
	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation					
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group				
Commercial loans															
Commercial loans	7,611,300	4,376,056	935,943	472,545	325,069	**13,720,913**	58,525	64,216	33,382	158,656	158,793	**473,572**	29,549	**503,121**	**13,217,792**
Foreign trade credits Chilean exports	724,027	9,713	33,504	2,621	1,132	**770,997**	13,306	327	2,304	1,454	705	**18,096**	-	**18,096**	**752,901**
Foreign trade credits Chilean imports	676,870	52,526	11,571	18,177	1,852	**760,996**	16,377	1,503	1,365	10,335	1,106	**30,686**	-	**30,686**	**730,310**
Foreign trade credits between third countries	2,799	-	-	-	-	**2,799**	65	-	-	-	-	**65**	-	**65**	**2,734**
Current account debtors	49,365	32,316	11,504	1,284	7,892	**102,361**	1,357	1,028	1,448	676	5,547	**10,056**	-	**10,056**	**92,305**
credit card debtors	23,780	81,850	3,197	676	7,421	**116,924**	694	2,479	371	301	4,942	**8,787**	-	**8,787**	**108,137**
Factoring transactions	630,518	32,819	11,691	3,063	411	**678,502**	6,520	621	585	2,160	411	**10,297**	-	**10,297**	**668,205**
Commercial leasing transactions	882,356	221,798	154,469	69,571	9,503	**1,337,698**	3,361	4,239	3,227	10,230	6,809	**27,866**	739	**28,605**	**1,309,093**
Student loans	-	49,287	-	-	6,727	**56,014**	-	1,172	-	-	2,323	**3,495**	-	**3,495**	**52,519**
Other loans and accounts receivable	3,114	93,823	589	5,566	3,150	**106,242**	37	1,440	133	3,318	1,853	**6,781**	-	**6,781**	**99,461**
Subtotal	**10,604,130**	**4,950,188**	**1,162,468**	**573,503**	**363,157**	**17,653,446**	**100,242**	**77,025**	**42,815**	**187,130**	**182,489**	**589,701**	**30,288**	**619,989**	**17,033,457**
Mortgage loans															
Loans with mortgage finance	-	4,094	-	-	208	**4,302**	-	6	-	-	25	**31**	-	**31**	**4,271**
Endorsable mortgage mutual loans	-	3,606	-	-	317	**3,923**	-	14	-	-	45	**59**	-	**59**	**3,864**
Mortgage bond-financed loans	-	83,144	-	-	1,830	**84,974**	-	119	-	-	173	**292**	-	**292**	**84,682**
Other mutual mortgage loans	-	13,391,441	-	-	389,839	**13,781,280**	-	20,037	-	-	53,349	**73,386**	-	**73,386**	**13,707,894**
Financial leasing transaction for housing	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
Other loans and accounts receivable	-	934	-	-	762	**1,696**	-	5	-	-	188	**193**	-	**193**	**1,503**
Subtotal	**-**	**13,483,219**	**-**	**-**	**392,956**	**13,876,175**	**-**	**20,181**	**-**	**-**	**53,780**	**73,961**	**-**	**73,961**	**13,802,214**
Consumer loans															
Consumer loans in instalments	-	3,447,432	-	-	145,481	**3,592,913**	-	109,317	-	-	117,615	**226,932**	-	**226,932**	**3,365,981**
Current account debtors	-	121,230	-	-	1,366	**122,596**	-	5,896	-	-	1,075	**6,971**	-	**6,971**	**115,625**
Credit card debtors	-	1,272,588	-	-	7,736	**1,280,324**	-	24,748	-	-	6,007	**30,755**	-	**30,755**	**1,249,569**
Consumer finance leasing transactions	-	3,184	-	-	16	**3,200**	-	28	-	-	14	**42**	-	**42**	**3,158**
Other loans and accounts receivable	-	91	-	-	123	**214**	-	21	-	-	98	**119**	-	**119**	**95**
Subtotal	**-**	**4,844,525**	**-**	**-**	**154,722**	**4,999,247**	**-**	**140,010**	**-**	**-**	**124,809**	**264,819**	**-**	**264,819**	**4,734,428**
TOTAL	**10,604,130**	**23,277,932**	**1,162,468**	**573,503**	**910,835**	**36,528,868**	**100,242**	**237,216**	**42,815**	**187,130**	**361,078**	**928,481**	**30,288**	**958,769**	**35,570,099**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

5. Contingent loans

Contingent loan balances as of June 30, 2022, and December 31, 2021, are as follows:

Credit risk exposure from contingent loans As of June 30, 2022 (MCh$)	Contingent credit exposure before provisions						Established provisions						Net contingent credit risk exposure
	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Total	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Total	
	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation			
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group		
Guarantees and sureties	678,668	860	18,620	138	-	**698,286**	2,372	19	6,508	124	-	**9,024**	**689,263**
Letters of credit for goods movement operations	92,223	630	52	-	-	**92,905**	750	23	7	-	-	**780**	**92,125**
Debt purchase commitments in local currencies abroad	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Transactions related to contingent events	704,436	29,846	23,458	3,685	656	**762,080**	9,214	681	1,673	1,366	547	**13,482**	**748,599**
Immediately repayable unrestricted credit lines	213,642	781,204	2,049	801	5,818	**1,003,514**	1,240	5,331	191	317	4,229	**11,308**	**992,205**
Unrestricted credit lines	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Credits for higher studies Law No 20,027 (CAE)	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
Other irrevocable credit commitments	147,059	32	-	-	-	**147,091**	1,851	7	-	-	-	**1,858**	**145,234**
Other contingent credits	-	78,780	-	-	-	**78,780**	-	122		-	-	**111**	**78,658**

Exposure to credit risk from contingent loans As of December 31, 2021 (MCh$)	Contingent credit exposure before provisions						Established provisions						Net contingent credit risk exposure
	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Total	Normal portfolio		Substandard Portfolio	Non-performing portfolio		Total	
	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation			
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group		
Guarantees and sureties	561,195	1,117	16,612	128	-	**579,051**	1,927	27	5,950	115	-	8,019	**571,032**
Letters of credit for goods movement operations	74,856	322	284	-	-	**75,462**	1,082	12	36	-	-	1,131	**74,331**
Debt purchase commitments in local currencies abroad	-	-	-	-	-	**-**	-	-	-	-	-	-	**-**
Transactions related to contingent events	643,603	27,201	22,196	3,703	708	**697,410**	7,813	641	1,458	1,909	522	12,341	**685,069**
Immediately repayable unrestricted credit lines	751,978	2,612,548	8,252	950	5,085	**3,378,813**	3,921	17,155	936	407	3,581	26,001	**3,352,812**
Unrestricted credit lines	-	-	-	-	-	**-**	-	-	-	-	-	-	**-**
Credits for higher studies Law No 20,027 (CAE)	-	-	-	-	-	**-**	-	-	-	-	-	-	**-**
Other irrevocable credit commitments	197,410	65,507	-	-	-	**262,916**	1,367	219	-	-	-	1,586	**261,330**
Other contingent credits	-	-	-	-	-	**-**	-	-	-	-	-	-	**-**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

6. Breakdown of movement in established provisions - Receivable from banks

Breakdown of movement in established provisions - Receivable from banks, as of June 30, 2022, and December 31, 2021, is as follows:

Breakdown of movement in provisions established for credit risk portfolio during the period As of June 30, 2022 (MCh$)	Movement in portfolio provisions for the period Individual assessment			
	Normal Portfolio	Substandard Portfolio	Non-performing Portfolio	Total
Balance as of January 1, 2022	-	-	-	-
Provision establishment/(release) by:	-			-
Change in measurement without portfolio reclassifying during the period:	-	-	-	-
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	-	-	-	-
Individual normal to Substandard	-	-	-	-
Individual normal to Individual non-performing	-	-	-	-
Substandard to Individual Non-performing	-	-	-	-
Substandard to Individual Normal	-	-	-	-
Individual non-performing to Substandard	-	-	-	-
Individual non-performing to Individual normal	-	-	-	-
New credits originated	87	-	-	87
New credits due to translation from contingent to loan	-	-	-	-
New credits purchased	-	-	-	-
Sale or assignment of credits	-	-	-	-
Paid from credits	(87)	-	-	(87)
Provision application for charge-offs	-	-	-	-
Recovery of impaired loans	-	-	-	-
Exchange rate difference	-	-	-	-
Other changes in provisions	-	-	-	-
Balance as of June 30, 2022	-	-	-	-

Breakdown of movement in provisions established for credit risk portfolio during the period As of June 30, 2022 (MCh$)	Movement in portfolio provisions for the period Individual assessment			
	Normal Portfolio	Substandard Portfolio	Non-performing portfolio	Total
Balance as of January 1, 2021	9	-	-	9
Provision establishment/(release) by:	-			-
Change in measurement without portfolio reclassifying during the period:	-	-	-	-
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	-	-	-	-
Individual normal to Substandard	-	-	-	-
Individual normal to Individual non-performing	-	-	-	-
Substandard to Individual Non-performing	-	-	-	-
Substandard to Individual Normal	-	-	-	-
Individual non-performing to Substandard	-	-	-	-
Individual non-performing to Individual normal	-	-	-	-
New credits originated	25	-	-	25
New credits due to translation from contingent to loan	-	-	-	-
New credits purchased	-	-	-	-
Sale or assignment of credits	-	-	-	-
Paid from credits	(34)	-	-	(34)
Provision application for charge-offs	-	-	-	-
Recovery of impaired loans	-	-	-	-
Exchange rate difference	-	-	-	-
Other changes in provisions	-	-	-	-
Balances as of December 31, 2021	-	-	-	-

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

7. Breakdown of movement in established provisions - Commercial Loans

Breakdown of movement in established provisions - Commercial Loans, as of June 30, 2022, and December 31, 2021, is as follows:

Breakdown of movement in provisions established for credit risk portfolio during the period As of June 30, 2022 (MCh$)	Movement in portfolio provisions for the period							
	Normal portfolio Evaluation		Substandard Portfolio	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees	Total
	individual	group		individual	group			
Commercial loans								
Balance as of January 1, 2022	**100,236**	**77,026**	**42,816**	**187,132**	**182,490**	**589,700**	**30,288**	**619,988**
Provision establishment/(release) by:								
Change in measurement without portfolio reclassifying during the period:	13,675	39,425	9,620	13,543	34,161	**110,424**	37	**110,461**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	-	364	-	167	2,960	**3,491**	-	**3,492**
Individual normal to Substandard	(3,704)	-	6,658	-	-	**2,954**	505	**3,459**
Individual normal to Individual non-performing	-	-	-	14	-	**14**	-	**14**
Substandard to Individual Non-performing	-	-	(6,146)	12,814	-	**6,668**	7	**6,675**
Substandard to Individual Normal	3,297	-	(5,222)	-	-	**(1,925)**	265	**(1,660)**
Individual non-performing to Substandard	-	-	393	(309)	-	**84**	-	**84**
Individual non-performing to Individual normal	17	-	-	(36)	-	**(19)**	-	**(19)**
Group normal to Group non-performing	-	(14,640)	-	-	30,220	**15,580**	308	**15,888**
Group non-performing to Group normal	-	4,736	-	-	(11,287)	**(6,551)**	20	**(6,531)**
Individual (normal, substandard, non-performing) to Group (normal, non-compliance)	1,340	-	409	(4,168)	-	**(2,419)**	1	**(2,418)**
Group (normal, non-performing) to Individual (normal, substandard, non-compliance)	(1)	1,533	-	-	3,070	**4,602**	148	**4,750**
New credits originated	121,548	11,375	15,877	67,612	5,024	**221,436**	180	**221,616**
New credits due to translation from contingent to loan	364	704	415	19	27	**1,529**	-	**1,529**
New credits purchased	-	-	-	-	-	**-**	-	**-**
Sale or assignment of credits	-	-	-	-	-	**-**	-	**-**
Paid from credits	(126,123)	(40,249)	(24,859)	(80,856)	(29,265)	**(301,352)**	(7,345)	**(308,697)**
Provision application for charge-offs	-	(336)	-	(6,921)	(22,317)	**(29,574)**	-	**(29,574)**
Recovery of impaired loans	-	-	-	-	-	**-**	-	**-**
Changes in models and methodologies	-	-	-	-	-	**-**	-	**-**
Exchange rate difference	3,802	140	938	3,247	352	**8,479**	-	**8,479**
Other changes in provisions	(253)	17	(22)	29	1,639	**1,410**	-	**1,410**
Balance as of June 30, 2022	**114,200**	**80,096**	**40,879**	**192,288**	**197,069**	**624,532**	**24,414**	**648,946**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

Breakdown of movement in provisions established for credit risk portfolio during the period As of December 31, 2021 (MCh$)	Movement in portfolio provisions for the period							
	Normal portfolio Evaluation		Substandard Portfolio	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees (i)	Total
	individual	group		individual	group			
Commercial loans								
Balance as of January 1, 2021	**97,247**	**78,137**	**53,361**	**195,235**	**195,576**	**619,556**	**26,873**	**646,429**
Provision establishment/(release) by:	-	-	-	-	-	-	-	-
Change in measurement without portfolio reclassifying during the period:	26,335	63,490	16,371	35,380	67,149	**208,725**	1	**208,726**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:								
Individual normal to Substandard	(11,391)	-	17,940	-	-	**6,549**	689	**7,238**
Individual normal to Individual non-performing	(144)	-	-	1,035	-	**891**	-	**891**
Substandard to Individual Non-performing	-	-	(13,297)	31,454	-	**18,157**	-	**18,157**
Substandard to Individual Normal	2,106	-	(3,501)	-	-	**(1,395)**	46	**(1,349)**
Individual non-performing to Substandard	-	-	296	(724)	-	**(428)**	-	**(428)**
Individual non-performing to Individual normal	45	-	-	(28)	-	**17**	-	**17**
Group normal to Group non-performing	-	(20,072)	-	-	47,798	**27,726**	107	**27,833**
Group non-performing to Group normal	-	4,854	-	-	(21,574)	**(16,720)**	2	**(16,718)**
Individual (normal, substandard, non-performing) to Group (normal, non-compliance)	2,972	-	402	114	-	**3,488**	-	**3,488**
Group (normal, non-performing) to Individual (normal, substandard, non-compliance)	(4)	(1,403)	-	-	-	**(1,407)**	322	**(1,085)**
New credits originated	212,315	27,025	96,069	189,598	8,985	**533,992**	12,541	**546,533**
New credits due to translation from contingent to loan	654	1,235	185	44	48	**2,166**	-	**2,166**
New credits purchased	-	-	-	-	-	-	-	-
Sale or assignment of credits	-	-	-	-	-	-	-	-
Paid from credits	(235,964)	(74,835)	(126,692)	(247,895)	(37,090)	**(722,476)**	(10,293)	**(732,769)**
Provision application for charge-offs	-	(1,692)	-	(22,876)	(78,855)	**(103,423)**	-	**(103,423)**
Recovery of impaired loans	-	-	-	-	-	-	-	-
Changes in models and methodologies	-	-	-	-	-	-	-	-
Exchange rate difference	6,080	294	1,708	5,837	436	**14,355**	-	**14,355**
Other changes in provisions	(13)	(6)	(24)	(41)	12	**(72)**	-	**(72)**
Balances as of December 31, 2021	**100,238**	**77,027**	**42,818**	**187,133**	**182,485**	**589,701**	**30,288**	**619,989**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

8. Breakdown of movement in established provisions - Mortgage loans

Breakdown of movement in established provisions - Mortgage Loans, as of June 30, 2022, and December 31, 2021, is as follows:

Breakdown of movement in provisions established for credit risk portfolio during the period As of June 30, 2022 (MCh$)	Movement in portfolio provisions for the period Group Evaluation		
	Normal Portfolio	Non-performing portfolio	Total
Mortgage loans			
Balance as of January 1, 2022	**20,181**	**53,780**	**73,961**
Provision establishment(release) by:			
Change in measurement without portfolio reclassifying during the period:	18,892	40,103	**58,995**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	56	374	**430**
Group normal to group non-performing	(1,625)	7,475	**5,850**
Group non-performing to Group normal	217	(2,170)	**(1,953)**
New credits originated	306	374	**680**
New credits purchased	-	-	**-**
Sale or assignment of credits	-	-	**-**
Paid from credits	(13,360)	(11,185)	**(24,545)**
Provision application for charge-offs	(14)	(5,470)	**(5,484)**
Recovery of impaired loans	-	-	**-**
Changes in models and methodologies	-	-	**-**
Exchange rate difference	-	-	**-**
Other changes in provisions (if applicable)	(162)	(1,932)	**(2,094)**
Balance as of June 30, 2022	**24,491**	**81,349**	**105,840**

Breakdown of movement in provisions established for credit risk portfolio during the period As of December 31, 2021 (MCh$)	Movement in portfolio provisions for the period Group Evaluation		
	Normal Portfolio	Non-performing portfolio	Total
Mortgage loans			
Balance as of January 1, 2021	**23,673**	**37,608**	**61,281**
Provision establishment(release) by:	-	-	**-**
Change in measurement without portfolio reclassifying during the period:	27,382	31,267	**58,649**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	223	3,243	**3,466**
Group normal to group non-performing	(1,927)	9,342	**7,415**
Group non-performing to Group normal	1,268	(7,989)	**(6,721)**
New credits originated	1,056	157	**1,213**
New credits purchased	-	-	**-**
Sale or assignment of credits	-	-	**-**
Paid from credits	(31,385)	(8,126)	**(39,511)**
Provision application for charge-offs	(109)	(11,722)	**(11,831)**
Recovery of impaired loans	-	-	**-**
Changes in models and methodologies	-	-	**-**
Exchange rate difference	-	-	**-**
Other changes in provisions	-	-	**-**
Balances as of December 31, 2021	**20,181**	**53,780**	**73,961**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

9. Breakdown of movement of established provisions - Consumer loans

Breakdown of movement in established provisions - Consumer Loans, as of June 30, 2022, and December 31, 2021, is as follows:

Breakdown of movement in provisions established for credit risk portfolio during the period As of June 30, 2022 (MCh$)	Movement in portfolio provisions for the period		
	Group Evaluation		
	Portfolio	Non-performing portfolio	Total
Consumer loans			
Balance as of January 1, 2022	**140,011**	**124,808**	**264,819**
Provision establishment/(release) by:			
Change in measurement without portfolio reclassifying during the period:	140,028	20,739	**160,767**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	2,275	10,743	**13,018**
Group normal to group non-performing	(24,579)	67,994	**43,415**
Group non-performing to Group normal	5,896	(14,476)	**(8,580)**
New credits originated	21,681	8,070	**29,751**
New credits due to translation from contingent to loan	6,297	171	**6,468**
New credits purchased	-	-	**-**
Sale or assignment of credits	-	-	**-**
Paid from credits	(147,811)	(59,855)	**(207,666)**
Provision application for charge-offs	(1,419)	(38,948)	**(40,367)**
Recovery of impaired loans	-	-	**-**
Changes in models and methodologies	-	-	**-**
Exchange rate difference	53	9	**62**
Other changes in provisions	-	-	**-**
Balance as of June 30, 2022	**142,432**	**119,255**	**261,687**

Breakdown of movement in provisions established for credit risk portfolio during the period As of December 31, 2021 (MCh$)	Movement in portfolio provisions for the period		
	Group Evaluation		
	Portfolio	Non-performing portfolio	Total
Consumer loans			
Balance as of January 1, 2021	**95,568**	**173,274**	**268,842**
Provision establishment/(release) by:	-	-	**-**
Change in measurement without portfolio reclassifying during the period:	233,315	39,082	**272,397**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	4,318	28,072	**32,390**
Group normal to group non-performing	(48,307)	93,716	**45,409**
Group non-performing to Group normal	23,381	(46,497)	**(23,116)**
New credits originated	26,465	12,508	**38,973**
New credits due to translation from contingent to loan	6,056	127	**6,183**
New credits purchased	-	-	**-**
Sale or assignment of credits	-	-	**-**
Paid from credits	(196,933)	(55,487)	**(252,420)**
Provision application for charge-offs	(3,964)	(119,967)	**(123,931)**
Recovery of impaired loans	-	-	**-**
Changes in models and methodologies	-	-	**-**
Exchange rate difference	112	2	**114**
Other changes in provisions	-	(22)	**(22)**
Balances as of December 31, 2021	**140,011**	**124,808**	**264,819**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

10. Breakdown of movement in established provisions - Contingent credits

Breakdown of movement in established provisions - Contingent credits, as of June 30, 2022, and December 31, 2021, is as follows:

Breakdown of movement in provisions established for credit risk portfolio during the period As of June 30, 2022 (MCh$)	Movement in portfolio provisions for the period					
	Normal portfolio Evaluation		Substandard Portfolio	Non-performing portfolio Evaluation		Total
	individual	group		individual	group	
Contingent credit exposure						
Balance as of January 1, 2022	**16,110**	**18,055**	**8,381**	**2,430**	**4,104**	**49,080**
Provision establishment/(release) by:						
Change in measurement without portfolio reclassifying during the period:	2,525	3,454	270	239	1,168	**7,656**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:	-	-	-	-	-	**-**
Individual normal to Substandard	(318)	-	655	-	-	**337**
Individual normal to Individual non-performing	(2)	-	-	5	-	**3**
Substandard to Individual Non-performing		-	(115)	522	-	**407**
Substandard to Individual Normal	119	-	(198)	-	-	**(79)**
Individual non-performing to Substandard	-	-	1	(1)	-	**-**
Individual non-performing to Individual normal	-	-	-	(61)	-	**(61)**
Group normal to Group non-performing	-	(125)	-	-	3,022	**2,897**
Group non-performing to Group normal	-	97	-	-	(1,940)	**(1,843)**
Individual (normal, substandard, non-performing) to Group (normal, non-compliance)	42	-	5	(123)	-	**(76)**
Group (normal, non-performing) to Individual (normal, substandard, non-compliance)	-	(10)	-	-	113	**103**
New contingent credits granted	8,841	1,502	1,066	572	1,335	**13,316**
Contingent credits from translation to loans	(12,138)	(17,209)	(2,284)	(1,814)	(3,245)	**(36,690)**
Changes in models and methodologies	10	251	3	23	94	**381**
Exchange rate difference	-	-	-	-	-	**-**
Other changes in provisions	238	168	595	15	125	**1,141**
Balance as of June 30, 2022	**15,417**	**6,183**	**8,380**	**1,808**	**4,775**	**36,572**

Breakdown of movement in provisions established for credit risk portfolio during the period As of December 31, 2021 (MCh$)	Movement in portfolio provisions for the period					
	Normal portfolio Evaluation		Substandard Portfolio	Non-performing portfolio Evaluation		Total
	individual	group		individual	group	
Contingent credit exposure						
Balance as of January 1, 2021	**13,360**	**12,809**	**3,830**	**4,643**	**2,110**	**36,752**
Provision establishment/(release) by:						
Change in measurement without portfolio reclassifying during the period:	5,351	24,561	2,892	882	1,593	**35,279**
Change in measurement due to portfolio reclassifying from the beginning to the end of the period [portfolio from (-) to (+)]:						
Individual normal to Substandard	(1,104)	-	1,940	-	-	**836**
Individual normal to Individual non-performing	(5)	-	-	52	-	**47**
Substandard to Individual Non-performing	-	-	(482)	1,834	-	**1,352**
Substandard to Individual Normal	327	-	(470)	-	-	**(143)**
Individual non-performing to Substandard	-	-	32	(27)	-	**5**
Individual non-performing to Individual normal	3	-	-	(12)	-	**(9)**
Group normal to Group non-performing	-	(253)	-	-	5,025	**4,772**
Group non-performing to Group normal	-	145	-	-	(2,618)	**(2,473)**
Individual (normal, substandard, non-performing) to Group (normal, non-compliance)	286	-	-	-	-	**286**
Group (normal, non-performing) to Individual (normal, substandard, non-compliance)	-	(317)	-	-	-	**(317)**
New contingent credits granted	16,592	5,469	4,811	738	2,235	**29,845**
Contingent credits from translation to loans	67	370	13	2	131	**583**
Changes in models and methodologies	-	-	-	-	-	**-**
Exchange rate difference	656	1,086	868	40	204	**2,854**
Other changes in provisions	(19,423)	(25,815)	(5,053)	(5,722)	(4,576)	**(60,589)**
Balances as of December 31, 2021	**16,110**	**18,055**	**8,381**	**2,430**	**4,104**	**49,080**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

11. Concentration of credit by economic activity

The concentration of credits by economic activity as of June 30, 2022, and December 31, 2021, is as follows:

Composition of economic activity for placements, contingent credit exposure and provisions As of June 30, 2022 (MCh$).	Loans and contingent credit exposures			Established provisions		
	Loans			Loans		
	Domestic Loans	Foreign loans	Total	Domestic Loans	Foreign loans	Total
Interbank loans	12	-	-	-	-	-
Commercial loans						
Agriculture and livestock	700,625	3	700,628	23,258	-	23,258
Fruit growing	679,736	3,262	682,998	21,315	7	21,322
Forestry	178,457	-	178,457	10,083	-	10,083
Fishing	272,246	-	272,246	9,429	-	9,429
Mining	240,843	-	240,843	4,179	-	4,179
Oil and natural gas	314,980	465	315,445	337	-	337
Manufacturing industry;	301	-	301	-	-	0
Food, beverages and tobacco	471,405	-	471,405	13,140	-	13,140
Textile, leather and footwear	95,787	884	96,671	4,693	3	4,696
Wood and furniture	95,856	-	95,856	2,549	-	2,549
Pulp, paper and printing	66,665	-	66,665	3,885	-	3,885
Chemicals and oil products	166,376	-	166,376	2,120	-	2,120
Metallic, non-metallic, machinery, or other	694,492	620	695,112	24,499	26	24,525
Electricity, gas and water	723,518	-	723,518	4,498	-	4,498
Housing construction	279,645	-	279,645	14,628	-	14,628
Non-housing construction (office, civil works)	704,518	4,025	708,543	35,253	3,618	38,871
Wholesale trade	1,859,870	15,580	1,875,450	124,130	193	124,323
Retail trade, restaurants and hotels	1,527,672	1,965	1,529,637	66,455	16	66,471
Transport and storage	807,364	-	807,364	32,988	-	32,988
Telecommunications	311,383	547	311,930	5,542	49	5,591
Financial services	349,048	924	349,972	7,806	40	7,846
Business services	1,603	-	1,603	-	-	-
Real estate services	2,547,357	12,657	2,560,014	59,494	28	59,522
Student Loans	-	-	-	-	-	-
Public administration, defence and police	-	-	-	-	-	-
Social and other communal services	5,200,352	2,011	5,202,363	174,611	74	174,685
Personal services	-	-	-	-	-	-
Subtotal	18,290,099	42,943	18,333,042	644,892	4,054	648,946
Mortgage loans	14,720,172	3,134	14,723,306	105,819	21	105,840
Consumer loans	5,099,137	1,436	5,100,573	261,578	109	261,687
Contingent credit exposure	2,757,551	25,105	2,782,656	36,489	85	36,574

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

Composition of economic activity for loans and advances, contingent credit exposure and provisions As of December 31, 2021 (MCh$)	Loans and contingent credit exposures			Established provisions		
	Loans			Loans		
	Domestic Loans	Foreign loans	Total	Domestic Loans	Foreign loans	Total
Interbank loans	269	159	428	-	-	-
Commercial loans						
Agriculture and livestock	704,243	3	**704,246**	21,742	-	**21,742**
Fruit growing	669,467	3,403	**672,870**	15,506	7	**15,513**
Forestry	178,285	-	**178,285**	7,915	-	**7,915**
Fishing	271,284	-	**271,284**	8,601	-	**8,601**
Mining	215,348	-	**215,348**	4,510	-	**4,510**
Oil and natural gas	89,196	456	**89,652**	122	-	**122**
Manufacturing industry;	-	-	**-**	-	-	**-**
Food, beverages and tobacco	364,107	-	**364,107**	10,831	-	**10,831**
Textile, leather and footwear	100,417	1,191	**101,608**	4,216	6	**4,222**
Wood and furniture	94,330	-	**94,330**	2,753	-	**2,753**
Pulp, paper and printing	73,172	-	**73,172**	4,345	-	**4,345**
Chemicals and oil products	149,175	-	**149,175**	2,221	-	**2,221**
Metallic, non-metallic, machinery, or other	654,261	913	**655,174**	54,040	39	**54,079**
Electricity, gas and water	695,471	-	**695,471**	4,890	-	**4,890**
Housing construction	281,906	-	**281,906**	12,349	-	**12,349**
Non-housing construction (office, civil works)	700,534	4,532	**705,066**	30,724	4,074	**34,798**
Wholesale trade	1,826,235	14,900	**1,841,135**	94,548	154	**94,702**
Retail trade, restaurants and hotels	1,388,575	6,062	**1,394,637**	71,816	22	**71,838**
Transport and storage	782,250	-	**782,250**	30,812	-	**30,812**
Telecommunications	341,585	830	**342,415**	5,156	75	**5,231**
Financial services	304,516	1,711	**306,227**	7,403	30	**7,433**
Business services	-	-	**-**	-	-	**-**
Real estate services	2,584,115	12,465	**2,596,580**	54,233	27	**54,260**
Student Loans	-	-	**-**	-	-	**-**
Public administration, defence and police	-	-	**-**	-	-	**-**
Social and other communal services	5,136,716	1,792	**5,138,508**	166,738	84	**166,822**
Personal services	-	-	**-**	-	-	**-**
Subtotal	**17,605,188**	**48,258**	**17,653,446**	**615,471**	**4,518**	**619,989**
Mortgage loans	**13,872,347**	**3,828**	**13,876,175**	**73,890**	**71**	**73,961**
Consumer loans	**4,997,447**	**1,800**	**4,999,247**	**264,653**	**166**	**264,819**
Contingent credit exposure	**4,952,756**	**41,076**	**4,999,832**	**48,953**	**125**	**49,078**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

12. Housing loans and their provisions by the range of outstanding loan principal over the value of the mortgage collateral (LTV) and days past due, respectively:

Mortgage loans and their provisions as of June 30, 2022, and December 31, 2021, are as follows:

As of June 30, 2022 Loan / Guarantee Value (%)	Mortgage loans (MCh$)						Provisions established for Mortgage Loans (MCh$)					
		Days past due at the end of the period						Days past due at the end of the period				
	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
LTV <= 40%	1,178,206	6,446	17,611	9,720	13,146	**1,225,129**	2,538	108	685	496	5,121	**8,949**
40% < LTV <= 80%	11,115,184	34,141	178,168	100,165	113,578	**11,541,236**	29,740	723	7,784	6,381	42,174	**86,801**
80% < LTV <= 90%	1,728,438	240	21,084	9,944	8,744	**1,768,450**	4,933	33	1,174	636	1,843	**8,618**
LTV > 90%	182,888	155	2,813	1,331	1,304	**188,491**	613	3	144	125	586	**1,472**
Total	**14,204,716**	**40,982**	**219,676**	**121,160**	**136,772**	**14,723,306**	**37,824**	**867**	**9,787**	**7,638**	**49,724**	**105,840**

As of December 31, 2021 Loan / Guarantee Value (%)	Mortgage loans (MCh$)						Provisions established for Mortgage Loans (MCh$)					
		Days past due at the end of the period						Days past due at the end of the period				
	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
LTV <= 40%	1,074,078	4,895	13,265	6,663	9,185	**1,108,086**	2,810	103	671	490	1,739	**5,813**
40% < LTV <= 80%	10,439,364	29,654	120,263	66,012	86,152	**10,741,445**	29,575	667	5,847	4,495	18,299	**58,883**
80% < LTV <= 90%	1,781,327	36	16,139	10,016	7,063	**1,814,581**	5,074	5	806	874	1,317	**8,076**
LTV > 90%	209,064	5	1,778	639	577	**212,063**	752	5	152	68	212	**1,189**
Total	**13,503,833**	**34,590**	**151,445**	**83,330**	**102,977**	**13,876,175**	**38,211**	**780**	**7,476**	**5,927**	**21,567**	**73,961**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

13. Dues from banks and commercial loans and their provisions established by classification category

The concentration dues from banks and commercial loans, alongside their provisions by classification category as of June 30, 2022, and December 31, 2021, are as follows:

Concentration of due from banks and commercial loans and their provisions by classification category as of June 30, 2022 (in MCh$)	Interbank loans and commercial loans payable to the bank																									Deductible provision for FOGAPE Covid-19 guarantees
	Evaluation																									
	Individual																				Group			Total	
	Normal portfolio							Substandard Portfolio					Non-performing portfolio							Total	Normal	Non-performing	Total		
	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal		portfolio	Portfolio			
Interbank loans																									
Interbank liquidity loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current account overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	-	-	12	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-transferable deposits with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	12	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-
Established provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Established provisions	-	-	0.21%	-	-	-	0.21%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.22%	-
Commercial loans																									
Commercial loans	2,923	718,288	1,517,014	1,941,515	1,887,014	1,716,492	7,783,246	619,992	148,768	57,327	93,904	919,991	161,105	78,687	71,859	46,980	101,716	54,997	518,504	9,221,741	4,191,235	349,279	4,540,514	13,762,255	24,398
Foreign trade credits Chilean exports	-	-	218,863	272,314	192,230	99,188	782,595	41,350	1,441	1,368	-	44,159	522	-	-	452	751	708	2,433	829,187	10,736	1,457	12,193	841,380	-
Foreign trade credits Chilean imports	-	33,176	132,182	211,466	198,925	134,925	710,674	9,307	557	2,016	49	11,929	-	-	5,563	2,323	3,566	4,982	16,434	739,037	51,713	2,282	53,995	793,032	-
Foreign trade credits between third countries	-	-	-	582	1,740	-	2,322	-	-	-	-	-	-	-	-	-	-	-	-	2,322	-	-	-	2,322	-
Debtors with current accounts	-	20,139	16,271	13,792	8,812	9,562	68,576	9,778	666	594	640	11,678	1,365	196	78	443	620	559	3,261	83,515	39,196	6,471	45,667	129,182	-
Credit card debtors	-	886	3,920	9,472	7,566	6,044	27,888	2,083	620	343	189	3,235	195	51	51	80	254	208	879	32,002	86,418	6,252	92,670	124,672	-
Factoring transactions	8,886	353,379	326,075	114,638	78,292	72,938	946,200	9,222	150	3,335	17	12,724	-	-	178	591	799	359	1,928	960,852	50,168	597	50,765	1,011,617	-
Commercial leasing transactions	3,773	21,728	104,768	239,876	238,638	236,749	895,532	96,628	27,925	18,243	8,550	151,358	28,066	23,820	9,004	9,123	1,611	334	71,878	1,118,768	226,884	11,078	237,962	1,356,530	16
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,099	7,334	54,433	54,433	-
Other loans and accounts receivable	233	750	910	875	658	611	4,137	196	135	5	878	1,214	220	19	414	1,761	1,079	2,193	5,686	11,037	240,554	3,008	243,562	254,599	-
Subtotal	15,815	1,148,346	2,320,003	2,804,622	2,655,878	2,276,509	11,221,170	788,849	180,262	83,231	104,235	1,156,268	191,413	102,813	87,248	61,753	113,476	64,340	621,043	12,998,481	4,946,803	387,758	5,334,561	18,333,042	24,414
Established provisions	4	836	5,275	19,608	36,270	52,207	114,200	22,149	4,948	5,508	8,274	40,880	3,828	10,201	21,812	24,702	73,759	57,905	192,287	347,367	80,096	197,150	277,246	624,613	-
% Established provisions	0.03%	0.07%	0.23%	0.70%	1.37%	2.29%	1.02%	2.81%	2.74%	6.62%	7.94%	3.54%	2.00%	10.00%	25.00%	40.00%	65.00%	90.00%	30.96%	2.67%	1.67%	50.84%	5.20%	3.41%	-

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

Concentration of dues from banks and commercial loans and their provisions by classification category as of December 31, 2021 (in MCh$)	Interbank loans and commercial loans payable to the bank																									
	Evaluation																									
	Individual																				Group			Total	Deductible provision for FOGAPE Covid-19 guarantees
	Normal portfolio							Substandard Portfolio					Non-performing portfolio							Total	Normal portfolio	Non-performing Portfolio	Total		
	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal						
Interbank loans																									
Interbank liquidity loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current account overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	270	110	48	-	-	-	428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	428	-
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non transferable deposits with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**270**	**110**	**48**	-	-	-	**428**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**428**	-
Established provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Constituted provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial loans																									
Commercial loans	2,879	589,793	1,438,563	2,013,293	2,073,324	1,493,448	**7,611,300**	608,585	196,598	61,937	68,823	**935,943**	148,230	83,418	34,242	48,469	96,839	62,247	**472,545**	**9,019,788**	4,376,656	326,068	**4,701,125**	**13,720,913**	29,429
Foreign trade credits Chilean exports	-	-	238,456	192,231	193,437	99,903	**724,027**	29,937	3,086	-	481	**33,504**	-	-	-	1,461	696	464	**2,621**	**760,152**	9,713	1,132	**10,845**	**770,997**	-
Foreign trade credits Chilean imports	-	47,696	138,718	207,986	157,979	124,592	**676,971**	9,004	1,098	1,469	-	**11,571**	-	-	5,315	4,748	782	7,332	**18,177**	**706,619**	52,526	1,852	**54,378**	**760,997**	-
Foreign trade credits between third countries	-	-	-	369	2,431	-	**2,800**	-	-	-	-	-	-	-	-	-	-	-	-	**2,800**	-	-	-	**2,800**	-
Debtors with current accounts	-	9,855	8,306	15,173	6,951	9,080	**49,365**	7,668	920	1,000	1,916	**11,504**	194	176	89	79	281	465	**1,284**	**62,153**	32,316	7,892	**40,208**	**102,361**	-
Credit card debtors	-	854	3,689	4,531	10,214	4,491	**23,779**	2,171	659	232	135	**3,197**	152	107	56	73	63	225	**676**	**27,651**	81,850	7,421	**89,271**	**116,922**	-
Factoring transactions	35,956	123,083	239,833	102,282	63,598	65,965	**630,517**	11,611	-	58	22	**11,691**	-	-	179	591	740	1,553	**3,063**	**645,271**	32,819	411	**33,230**	**678,501**	-
Commercial leasing transactions	4,233	22,222	111,265	251,620	274,690	218,326	**882,356**	86,027	36,009	15,432	17,001	**154,469**	38,354	17,245	10,584	9,011	1,935	432	**69,571**	**1,106,396**	221,798	9,503	**231,301**	**1,337,697**	779
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,287	6,727	**56,014**	**56,014**	-
Other loans and accounts receivable	28	428	657	900	439	478	**3,114**	106	336	4	143	**589**	314	1,100	8	581	955	2,608	**5,566**	**9,269**	90,823	3,150	**93,973**	**103,242**	-
Subtotal	**43,096**	**794,723**	**2,178,686**	**2,788,385**	**2,782,863**	**2,016,275**	**10,604,128**	**755,099**	**238,706**	**80,132**	**88,531**	**1,162,468**	**177,244**	**102,046**	**50,483**	**66,013**	**102,391**	**75,326**	**573,503**	**12,340,099**	**4,950,188**	**363,157**	**5,313,345**	**17,653,444**	**30,208**
Established provisions	14	625	4,680	18,605	34,937	41,405	**100,236**	21,924	10,615	3,477	6,800	**42,816**	3,545	10,205	12,621	26,405	66,563	67,792	**187,132**	**330,184**	77,036	182,480	**259,516**	**589,700**	-
% Constituted provisions	0.03%	0.08%	0.21%	0.67%	1.25%	2.05%	**0.95%**	2.90%	4.45%	4.34%	7.68%	**3.68%**	2.00%	10.00%	25.00%	40.00%	65.01%	90.00%	**32.63%**	**2.68%**	1.56%	50.25%	**4.88%**	**3.34%**	-

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

14. Loans and their established provisions by the number of days past due

The concentration of credit risk by days past due as of June 30, 2022, and December 31, 2021, is as follows:

Concentration of credit risk by days past due As of June 30, 2022 (MCh$)	Contingent credit exposure before provisions						Established provisions								
	Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Total	Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees	Total	Net financial assets
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group				
Interbank loans															
0 days	12	-	-	-	-	12	-	-	-	-	-	-	-	-	12
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
> = 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**12**	**-**	**-**	**-**	**-**	**12**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12**
Commercial loans															
0 days	11,211,139	4,800,121	1,107,050	367,070	126,056	**17,611,436**	113,949	60,751	38,666	95,454	52,856	**361,676**	24,414	**386,090**	**17,225,346**
1 to 29 days	8,819	55,490	24,790	25,916	10,123	**125,138**	182	4,405	1,124	4,317	5,132	**15,160**	-	**15,160**	**109,978**
30 to 59 days	1,206	63,500	7,968	30,764	31,416	**134,854**	69	9,430	517	6,895	13,886	**30,797**	-	**30,797**	**104,057**
60 to 89 days	6	27,316	16,460	33,748	31,664	**109,194**	-	5,510	572	16,441	13,483	**36,005**	-	**36,006**	**73,188**
> = 90 days	-	376	-	163,545	188,499	**352,420**	-	-	-	69,181	111,712	**180,893**	-	**180,893**	**171,527**
Subtotal	**11,221,170**	**4,946,803**	**1,156,268**	**621,043**	**387,758**	**18,333,042**	**114,200**	**80,096**	**40,879**	**192,288**	**197,069**	**624,532**	**24,414**	**648,946**	**17,684,096**
Mortgage loans															
0 days	-	14,034,401	-	-	170,315	**14,204,716**	-	19,453	-	-	18,371	**37,824**	-	**37,824**	**14,166,892**
1 to 29 days	-	34,925	-	-	6,058	**40,983**	-	255	-	-	612	**867**	-	**867**	**40,116**
30 to 59 days	-	161,850	-	-	57,825	**219,675**	-	3,224	-	-	6,562	**9,786**	-	**9,786**	**209,889**
60 to 89 days	-	67,276	-	-	53,884	**121,160**	-	1,559	-	-	6,079	**7,638**	-	**7,638**	**113,522**
> = 90 days	-	-	-	-	136,772	**136,772**	-	-	-	-	49,725	**49,725**	-	**49,725**	**87,044**
Subtotal	**-**	**14,298,452**	**-**	**-**	**424,854**	**14,723,306**	**-**	**24,491**	**-**	**-**	**81,349**	**105,840**	**-**	**105,840**	**14,617,466**
Consumer loans															
0 days	-	4,731,579	-	-	53,756	**4,785,335**	-	107,114	-	-	37,512	**144,626**	-	**144,626**	**4,640,709**
1 to 29 days	-	115,966	-	-	15,600	**131,566**	-	17,495	-	-	11,569	**29,064**	-	**29,064**	**102,502**
30 to 59 days	-	54,305	-	-	13,004	**67,309**	-	10,517	-	--	9,878	**20,395**	-	**20,395**	**46,914**
60 to 89 days	-	34,316	-	-	16,084	**50,400**	-	7,306	-	-	11,693	**18,999**	-	**18,999**	**31,401**
> = 90 days	- -		-	-	65,963	**65,963**	-	-	-	-	48,603	**48,603**	-	**48,603**	**17,360**
Subtotal	**-**	**4,936,166**	**-**	**-**	**164,407**	**5,100,573**	**-**	**142,432**	**-**	**-**	**119,255**	**261,687**	**-**	**261,687**	**4,838,886**
Total loans	**11,221,170**	**24,181,421**	**1,156,268**	**621,043**	**977,019**	**38,156,921**	**114,20**	**247,019**	**40,879**	**192,288**	**397,673**	**992,059**	**24,414**	**1,016,473**	**37,140,448**

NOTE 13 - FINANCIAL ASSETS AT AMORTISED COST, continued

Concentration of credit risk by days past due As of December 31, 2021 (MCh$)	Contingent credit exposure before provisions						Established provisions								
	Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Total	Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees	Total	Net financial assets
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group				
Interbank loans															
0 days	428	-	-	-	-	428	-	-	-	-	-	-	-	-	428
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
> = 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	428	-	-	-	-	428	-	-	-	-	-	-	-	-	428
Commercial loans															
0 days	10,601,938	4,859,223	1,147,342	353,379	133,044	17,094,926	100,217	63,974	42,074	105,164	58,969	370,398	30,288	400,686	16,694,240
1 to 29 days	1,229	34,297	11,986	22,176	10,169	79,857	12	3,354	392	7,391	4,998	16,147	-	16,147	63,710
30 to 59 days	925	39,639	2,745	27,920	28,801	100,030	6	6,008	289	8,594	12,438	27,335	-	27,335	72,695
60 to 89 days	2	17,027	282	40,070	23,347	80,728	-	3,690	53	19,673	10,430	33,846	-	33,846	46,882
> = 90 days	34	-	112	129,959	167,797	297,902	-	-	7	46,311	95,656	141,974	-	141,974	155,928
Subtotal	10,604,128	4,950,186	1,162,467	573,504	363,158	17,653,443	100,235	77,026	42,815	187,133	182,491	589,700	30,288	619,988	17,033,455
Mortgage loans															
0 days	-	13,308,540	-	-	195,294	13,503,834	-	16,806	-	-	21,404	38,210	-	38,210	13,465,624
1 to 29 days	-	28,774	-	-	5,817	34,591	-	189	-	-	591	780	-	780	33,811
30 to 59 days	-	105,578	-	-	45,866	151,444	-	2,243	-	-	5,234	7,477	-	7,477	143,967
60 to 89 days	-	40,327	-	-	43,003	83,330	-	944	-	-	4,983	5,927	-	5,927	77,403
> = 90 days	-	-	-	-	102,976	102,976	-	-	-	-	21,567	21,567	-	21,567	81,409
Subtotal	-	13,483,219	-	-	392,956	13,876,175	-	20,182	-	-	53,779	73,961	-	73,961	13,802,214
Consumer loans															
0 days	-	4,713,801	-	-	69,149	4,782,950	-	109,561	-	-	50,128	159,689	-	159,689	4,623,261
1 to 29 days	-	80,646	-	-	17,534	98,180	-	15,021	-	-	14,148	29,169	-	29,169	69,011
30 to 59 days	-	33,510	-	-	13,730	47,240	-	10,374	-	-	12,148	22,522	-	22,522	24,718
60 to 89 days	-	16,568	-	-	11,887	28,455	-	5,055	-	-	9,984	15,039	-	15,039	13,416
> = 90 days	-	-	-	-	42,423	42,423	-	-	-	-	38,400	38,400	-	38,400	4,023
Subtotal	-	4,844,525	-	-	154,723	4,999,248	-	140,011	-	-	124,808	264,819	-	264,819	4,734,429
Total loans	10,604,128	23,277,930	1,162,467	573,504	910,837	36,528,866	100,235	237,219	42,815	187,133	361,078	928,480	30,288	958,768	35,570,098

NOTE 14 - INVESTMENTS IN ASSOCIATES AND OTHER COMPANIES

The Interim Consolidated Statement of Financial Position presents investments in partnerships of MCh$41,264 as of June 30, 2022, MCh$37,695 as of December 31, 2021, and MCh$12,987 as of January 1, 2021, as follows:

	Institutions' Participation			Investment Investment value		
	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021
	%	%	%	MCh$	MCh$	MCh$
Companies						
Centro de Compensación Automatizado SA	33.33	33.33	33.33	4,245	3,664	2,962
Sociedad Interbancaria de Depósito de Valores SA	29.29	29.29	29.29	1,727	1,769	1,633
Cámara de Compensación de Alto Valor SA	15.00	15.00	15.00	1,035	1,008	971
Administrador Financiero del Transantiago SA	20.00	20.00	20.00	3,013	3,134	3,476
Servicios de Infraestructura de Mercado OTC SA	12.48	12.48	12.07	1,616	1,561	1,528
Redbanc SA	33.43	33.43	33.43	3,681	3,321	-
Transbank SA	25.00	25.00	25.00	23,975	21,288	-
Subtotal				**39,292**	**35,745**	**10,570**
Minority investments						
Bladex				-	-	136
Trading Exchanges				1,964	1,942	2,445
Other				8	8	10
Subtotal				**1,972**	**1,950**	**2,591**
Total				**41,264**	**37,695**	**13,161**

The equity investments have been irrevocably designated at fair value through other comprehensive income and are therefore carried at market value under IFRS 9.

a. Breakdown of financial information of associates as of June 30, 2022, December 31, and January 1, 2021:

	As of June 30, 2022				As of December 31, 2021				As of January 1, 2021			
	Assets MCh$	Liabilities MCh$	Capital MCh$	Profit (loss) MCh$	Assets MCh$	Liabilities MCh$	Capital MCh$	Profit (loss) MCh$	Assets MCh$	Liabilitie s MCh$	Capital MCh$	Profit (loss) MCh$
Centro de Compensación Automatizado	15,173	2,608	10,816	1,749	13,247	2,519	8,100	2,628	11,134	2,953	6,371	1,810
Sociedad Interbancaria de Depósito de Valores SA	6,949	0	6,243	706	6,675	358	5,143	1,175	5,840	314	4,496	1,030
Cámara de Compensación de Alto Valor SA	7,815	889	6,518	409	7,569	931	6,246	392	7,158	722	6,246	190
Administrador Financiero del Transantiago SA	58,636	39,906	17,417	1,314	54,437	35,279	17,233	1,925	49,841	30,670	17,227	1,944
Servicios de Infraestructura de Mercado OTC SA	28,051	15,199	12,513	339	35,641	23,023	12,246	371	14,480	2,232	12,441	(193)
Redbanc SA	30,859	19,848	9,972	1,038	28,410	18,475	8,522	1,413	25,483	16,820	8,018	645
Transbank SA	15,305,903	14,346,914	848,977	110,012	1,317,587	1,232,689	97,337	(12,439)	1,006,137	938,800	84,007	(16,670)
Total	**15,453,386**	**14,425,364**	**912,456**	**124,916**	**1,463,566**	**1,313,274**	**154,827**	**(4,535)**	**1,120,073**	**992,511**	**138,806**	**(11,244)**

NOTE 14 - INVESTMENTS IN ASSOCIATES AND OTHER COMPANIES continued

b. Restrictions on the ability of partners to transfer funds to investors.

There are no significant restrictions on the ability of associates to transfer funds to the Bank in the form of cash dividends or repayment of loans or advances.

c. The movement in investments in companies is as follows:

	As of June 30,	As of December 31,
	2022	2021
	MCh$	MCh$
Initial book value	**37,695**	**13,164**
Acquisition of investments (*)	-	27,233
Sale of investments	-	(136)
Participation in income	4,393	(663)
Dividends received	(141)	(506)
Other equity adjustments	(683)	(1,397)
Total	**41,264**	**37,695**

(*) As of December 31, 2020, the companies classified as 'non-current assets classified as held for sale' are returned to their initial status as 'associates' under investments in associates.

d. The objective evidence indicated in IAS 28 has been evaluated, and no impairment of the Bank's investments has been detected.

NOTE 15 - INTANGIBLE ASSETS

The composition of the item as of June 30, 2022, and December 31, 2021, is as follows:

		As of June 30, 2022		
	Opening net balance January 1, 2022 MCh$	Gross balance MCh$	Accumulated amortisation MCh$	Net balance MCh$
Software or computer programmes	95,411	314,267	(220,941)	93,326
Total	**95,411**	**314,267**	**(220,941)**	**93,326**

		As of December 31, 2021		
	Opening net balance January 1, 2021 MCh$	Gross balance MCh$	Accumulated amortisation MCh$	Net balance MCh$
Software or computer programmes	82,537	296,557	(201,146)	95,411
Total	**82,537**	**296,557**	**(201,146)**	**95,411**

a. The movement in intangible assets during the periods of June 30, 2022, and December 31, 2021, is as follows:

a. Gross balance

Gross balances	Software Development Computer Programmes MCh$
Balances as of January 1, 2022	**296,557**
Additions	17,710
Disposals	-
Impairment (*)	-
Other	-
Balance as of June 30, 2022	**314,267**
Balances as of January 1, 2021	**286,346**
Additions	47,487
Disposals (**)	(34,915)
Impairment	-
Other	(2,361)
Balances as of December 31, 2021	**296,557**

(*) See Note 40
(**) This corresponds to fully amortised assets.

NOTE 15 - INTANGIBLE ASSETS, continued

b. Accumulated amortisation

Accumulated amortisation	Software Development Computer Programmes MCh$
Balances as of January 1, 2022	**(201,146)**
Amortisation for the year	(19,794)
Withdrawals/disposals	-
Balance as of June 30, 2022	**(220,940)**
Balances as of January 1, 2021	**(203,809)**
Amortisation for the year	(32,252)
Withdrawals/disposals (*)	34,915
Balances as of December 31, 2021	**(201,146)**

(*) This corresponds to fully amortised assets.

The Bank has no restrictions on intangibles as of June 30, 2022, December 31, and January 1, 2021. Furthermore, intangible assets have not been pledged as security for fulfilling obligations. On the other hand, no amounts are due from the Bank for intangible assets on the same dates.

NOTE 16 - FIXED ASSETS

The composition of the items as of June 30, 2022, and December 31, 2021, is as follows:

	Opening net balance January 1, 2022 MCh$	As of June 30, 2022 Balance gross MCh$	Accumulated depreciation MCh$	Balance net MCh$
Buildings	98,081	173,177	(78,622)	94,555
Land	15,479	15,479	-	15,479
Equipment	56,174	277,561	(234,464)	43,097
Other	20,556	87,542	(66,816)	20,726
Total	**190,290**	**553,759**	**(379,902)**	**173,857**

	Opening net balance January 1, 2021 MCh$	As of December 31, 2021 Balance gross MCh$	Accumulated depreciation MCh$	Balance net MCh$
Buildings	98,632	171,842	(73,761)	98,081
Land	15,448	15,479	-	15,479
Equipment	52,317	276,826	(220,652)	56,174
Other	20,842	83,783	(63,226)	20,556
Total	**187,240**	**547,930**	**(357,639)**	**190,290**

a. The movement in fixed assets on June 30, 2022, and December 31, 2021, is as follows:

a. Gross balance

2022	Buildings MCh$	Land MCh$	Equipment MCh$	Other MCh$	Total MCh$
Balances as of January 1, 2022	**171,842**	**15,479**	**276,826**	**83,783**	**547,930**
Additions	1,968	-	1,118	2,242	**5,328**
Other changes	(23)	-	(161)	(1,197)	**(1,381)**
Impairment due to casualties	-	-	-	-	**-**
Other	(610)	-	(222)	2,714	**1,882**
Balance as of June 30, 2022	**173,177**	**15,479**	**277,561**	**87,542**	**553,759**

2021	Buildings MCh$	Land MCh$	Equipment MCh$	Other MCh$	Total MCh$
Balances as of January 1, 2021	**163,973**	**15,448**	**242,954**	**75,244**	**497,619**
Additions	5,971	31	35,926	5,427	**47,355**
Other changes	(52)	-	(1,854)	(592)	**(2,498)**
Impairment due to casualties	-	-	-	-	**-**
Other	1,950	-	(199)	3,704	**5,455**
Balances as of December 31, 2021	**171,842**	**15,479**	**276,827**	**83,783**	**547,931**

NOTE 16 - FIXED ASSETS, continued

b. Accumulated depreciation

2022	Buildings MCh$	Land MCh$	Equipment MCh$	Other MCh$	Total MCh$
Balances as of January 1, 2022	(73,761)	-	(220,652)	(63,226)	(357,639)
Depreciation charges for the year	(4,885)	-	(13,961)	(4,782)	(23,629)
Disposals and sales for the year	24	-	149	1,192	1,366
Other	-	-	-	-	-
Balance as of June 30, 2022	(78,622)	-	(234,464)	(66,816)	(379,902)

2021	Buildings MCh$	Land MCh$	Equipment MCh$	Other MCh$	Total MCh$
Balances as of January 1, 2021	(65,341)	-	(190,636)	(54,401)	(310,378)
Depreciation charges for the year	(9,600)	-	(30,976)	(9,308)	(49,884)
Disposals and sales for the year	4	-	960	483	1,447
Other	1,176	-	-	-	1,176
Balances as of December 31, 2021	(73,761)	-	(220,652)	(63,226)	(357,639)

c. The Bank has no restrictions on fixed assets as of June 30, 2022, December 31, and January 1, 2021. Furthermore, fixed assets have not been pledged as collateral to fulfil obligations. On the other hand, there are no amounts owed on fixed assets by the Bank on the same dates.

NOTE 17 - RIGHT OF USE ASSETS AND OBLIGATION FOR LEASE CONTRACT

The composition of the right-to-use lease assets as of June 30, 2022, and December 31, 2021, is as follows:

	As of June 30, 2022			
	Opening net balance January 1, 2022 MCh$	Balance gross MCh$	Accumulated depreciation MCh$	Balance net MCh$
Buildings	137,879	209,858	(85,844)	124,014
Leasehold improvements	46,649	138,272	(82,150)	56,122
Total	**184,528**	**348,130**	**(167,994)**	**180,136**

	As of December 31, 2021			
	Opening net balance January 1, 2021 MCh$	Balance gross MCh$	Accumulated depreciation MCh$	Balance net MCh$
Buildings	147,997	212,446	(74,567)	137,879
Leasehold improvements	53,614	134,310	(87,661)	46,649
Total	**201,611**	**346,756**	**(162,228)**	**184,528**

a. The movement in the right-to-use lease assets as of June 30, 2022, and December 31, 2021, is as follows:

a. Gross balance

2022	Buildings MCh$	Leasehold improvements MCh$	Total MCh$
Balances as of January 1, 2022	212,446	134,310	346,756
Additions	3,100	16,816	19,916
Other changes	(5,688)	(10,971)	(16,659)
Impairment due to casualties	-	-	-
Other	-	(1,883)	(1,883)
Balance as of June 30, 2022	209,858	138,272	348,130

2021	Buildings MCh$	Leasehold improvements MCh$	Total MCh$
Balances as of January 1, 2021	197,573	129,079	326,652
Additions	25,582	10,717	36,299
Withdrawals/disposals	(10,709)	-	(10,709)
Impairment due to casualties	-	-	-
Other	-	(5,486)	(5,486)
Balances as of December 31, 2021	212,446	134,310	346,756

NOTE 17 - RIGHT OF USE ASSETS AND OBLIGATION FOR LEASE CONTRACT, continued

b. Accumulated depreciation

2022	Buildings	Leasehold improvements	Total
	MCh$	MCh$	MCh$
Balances as of January 1, 2022	(74,567)	(87,661)	(162,228)
Depreciation charges for the period	(15,367)	(5,293)	(20,660)
Disposals and sales for the period	4,099	10,804	14,903
Other	(9)	-	(8)
Balance as of June 30, 2022	(85,844)	(82,150)	(167,993)

2021	Buildings	Leasehold improvements	Total
	MCh$	MCh$	MCh$
Balances as of January 1, 2021	(49,576)	(75,465)	(125,041)
Depreciation charges for the period	(28,899)	(11,020)	(39,3919)
Disposals and sales for the period	3,908	-	3,908
Other	-	(1,176)	(1,176)
Balances as of December 31, 2021	(74,567)	(87,661)	(162,228)

c. Obligations under leasing contracts

As of June 30, 2022, and December 31, 2021, the lease obligations are as follows:

	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021
	MCh$	MCh$	MCh$
Obligations under leasing contracts	140,180	139,795	149,585
Total	140,180	139,795	149,585

d. Expenditure related to leasehold assets and lease obligations:

	As of June 30,	
	2022	2021
	MCh$	MCh$
Depreciation	20,660	19,948
Interests	1,356	1,143
Short-term leasing	1,870	1,600
Total	23,886	22,691

NOTE 17 - RIGHT OF USE ASSETS AND OBLIGATION FOR LEASE CONTRACT, continued

e. As of June 30, 2022, and December 31, 2021, the maturity level of lease obligations, according to their contractual maturity, is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	25,799	23,391	25,526
Due after 1 to 2 years	24,686	23,390	23,461
Due after 2 to 3 years	22,848	21,730	21,472
Due after 3 to 4 years	19,160	18,888	19,343
Due after 4 to 5 years	15,354	16,360	16,336
Due after 5 years	32,333	36,036	43,447
Total	**140,180**	**139,795**	**149,585**

f. Operating Leases - Lessor

As of June 30, 2022, and December 31, 2021, the future minimum rents to be received from non-cancellable operating leases are as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	1,072	1,062	740
Due after 1 to 2 years	1,105	1,081	1,015
Due after 2 to 3 years	575	902	736
Due after 3 to 4 years	420	690	639
Due after 4 to 5 years	403	624	448
Due after 5 years	1,067	1,403	1,283
Total	**4,642**	**5,762**	**4,861**

g. As of June 30, 2022, and December 31, 2021, the Bank has no finance lease contracts that cannot be unilaterally terminated.

h. The Bank has no restrictions on fixed assets as of June 30, 2022, and December 31, 2021. Furthermore, fixed assets have not been pledged as collateral to fulfil obligations. On the other hand, there are no amounts owed on fixed assets by the Bank on the same dates.

NOTE 18 - CURRENT AND DEFERRED TAXES

a. Current taxes

As of June 30, 2022, December 31, 2022, and January 1, 2021, the Bank has set up a first category income tax provision based on the tax provisions in force. This provision is presented net of payments and credits as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Breakdown of current tax liabilities (assets)			
(Assets) for current taxes	(8,304)	(121,534)	(2,897)
Current tax liabilities	1,995	-	15,874
Total net taxes payable (recoverable)	**(6,309)**	**(121,534)**	**12,977**
Details of current tax liabilities (assets) (net)			
Income tax (27%)	19,544	4,390	172,944
Minus:			
Monthly provisional payments	(24,140)	(138,468)	(156,387)
Credit for training expenses	-	(2,110)	(2,137)
Grant credits	(208)	-	(1,360)
Other	(1,505)	(14,654)	(83)
Total taxes payable (recoverable)	**(6,309)**	**(121,534)**	**12,977**

b. Results for taxes

The effect of the tax expense for the periods from January 1 until June 30, 2022, and December 31, 2021, consists of the following items:

		For the period of 6 months until June 30,	
		2022 MCh$	2021 MCh$
Income tax expense			
Current year tax		13,358	1,997
Deferred tax credits (charges)			
Origination and reversal of temporary differences		68,370	117,656
	Subtotal	**81,728**	**119,653**
Tax on rejected expenses Article N°21		112	95
Other		4,306	(16,164)
Net income tax expense		**86,146**	**103,584**

		The quarter ended June 30,	
		2022 MCh$	2021 MCh$
Income tax expense			
Current year tax		8,937	470
Deferred tax credits (charges)			
Origination and reversal of temporary differences		21,866	72,185
	Subtotal	**30,803**	**72,655**
Tax on rejected expenses Article N°21		55	(110)
Other		4,178	(18,575)
Net income tax expense		**35,036**	**53,970**

NOTE 18 - CURRENT AND DEFERRED TAXES

c. Reconciliation of the effective tax rate

The reconciliation between the income tax rate and the effective tax rate applied in determining the tax expense as of June 30, 2022, and December 31, 2021, is shown below.

	For the period of 6 months until June 30,			
	2022		2021	
	Tax rate %	Amount MCh$	Tax rate %	Amount MCh$
Tax calculated on the profit before taxes	27.00	166,142	27.00	128,907
Permanent differences (*)	(14.99)	(92.210)	(6,56)	(31.046)
Single tax (disallowed expenditure)	0.02	112	0.02	95
Other	1.97	12,102	1.19	5,628
Effective rate and income tax expense	**14.00**	**86,146**	**21.65**	**103,584**

(*) Corresponds mainly to permanent differences arising from the Price-Level Restatement of Tax Equity.

	For the quarter ended June 30,			
	2022		2021	
	Tax rate %	Amount MCh$	Tax rate %	Amount MCh$
Tax calculated on the profit before taxes	-	88,692	-	65,870
Permanent differences (*)	(4.41)	(61,856)	0.59	(14,352)
Single tax (disallowed expenditure)	-	55	(0,07)	(110)
Other	0.59	8,145	(0,07)	2,562
Effective rate and income tax expense	**(3,82)**	**35,036**	**0.45**	**53,970**

(*) Corresponds mainly to permanent differences arising from the Price-Level Restatement of Tax Equity.

d. Effect of deferred taxes on equity

The breakdown of the deferred tax effect in equity is presented below separately, showing the corresponding asset and liability balances for the periods ended June 30, 2022, December 31, and January 1, 2021:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Deferred tax assets (OCI)			
Financial investment instruments	72,957	32,259	221
Cash flow hedging	155,613	100,867	36,927
Total deferred tax assets with effect in other comprehensive income	**228,570**	**133,126**	**37,148**
Deferred tax liabilities			
Financial investment instruments	(36,216)	(420)	(27,685)
Cash flow hedging	-	-	-
Total deferred tax liabilities with effect on others comprehensive income	**(36,216)**	**(420)**	**(27,685)**
Net deferred tax balances in equity	**192,353**	**132,706**	**9,463**
Deferred taxes in equity attributable to equity holders of the bank	192,555	132,914	9,776
Deferred tax in equity attributable to non-controlling interests	(201)	(208)	(313)

NOTE 18 - CURRENT AND DEFERRED TAXES, continued

e. Effect of deferred taxes on income

During the years 2022, December 31, and as of January 1, 2021, the Bank has recorded the effects of deferred taxes in its Interim Consolidated Financial Statements.

Below are the effects of deferred taxes on assets, liabilities and income allocated due to temporary differences:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Deferred tax assets			
Interest and readjustments	13,678	11,248	8,342
Extraordinary charge-off	21,070	14,539	18,087
Goods received in payment	4,078	3,258	3,365
Exchange rate adjustments	-	19,036	91
Valuation of fixed assets	4,946	1,771	-
Provision for loan losses	311,095	338,185	264,927
Provision for expenses	85,449	95,317	103,507
Derivatives	46	-	-
Leased assets	128,628	123,267	91,388
Subsidiaries tax loss	41,485	14,619	7,553
Right of use assets	705	590	437
Total deferred tax assets	**611,180**	**621,830**	**497,697**
Deferred tax liabilities			
Valuation of investments	(109,415)	(87,572)	(23,117)
Valuation of fixed assets	-	(2,490)	(8,560)
Anticipated expenses	(8,175)	(23,516)	(19,324)
Valuation provision	(3,005)	(10,240)	(7,631)
Derivatives	(332,487)	(303,276)	(43,096)
Exchange rate adjustments	(14,855)	-	-
Other	(15,819)	(142)	(34)
Total deferred tax liabilities	**(483,750)**	**(427,236)**	**(101,762)**

f. Breakdown of deferred taxes

Below is a breakdown of deferred taxes, considering their effect on equity and results.

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Deferred tax assets			
With an effect on other comprehensive income	228,569	133,126	37,148
With an effect on income	611,180	621,830	497,697
Total deferred tax assets	**839,749**	**754,956**	**534,845**
Deferred tax liabilities			
With an effect on other comprehensive income	(36,216)	(420)	(27,685)
With an effect on income	(483,750)	(427,236)	(101,762)
Total deferred tax liabilities	**(519,966)**	**(427,656)**	**(129,447)**

NOTE 18 - CURRENT AND DEFERRED TAXES, continued

g. Presentation of taxes in the financial statements

At the date of these Interim Consolidated Financial Statements, taxes are presented as follows:

Deferred taxes	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021
	MCh$	MCh$	MCh$
Deferred tax assets before reclassifying	839,749	754,956	534,845
Reclassifying (netting)	(518,130)	(336,193)	(129,064)
Deferred tax asset after reclassifying	**321,619**	**418,763**	**405,781**
Deferred tax liabilities before reclassifying	(519,966)	(427,656)	(129,447)
Reclassifying (netting)	518,130	336,193	129,064
Deferred tax liabilities after reclassifying	**(1,836)**	**(91,463)**	**(430)**

Current taxes	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021
	MCh$	MCh$	MCh$
Current tax asset before reclassifying	26,609	121,534	-
Reclassifying (netting)	(18,305)	-	2,897
Current tax asset after reclassifying	**8,304**	**121,534**	**2,897**
Current tax liabilities before reclassifying	(20,300)	-	(12,977)
Reclassifying (netting)	18,305	-	(2,897)
Current tax liabilities after reclassifying	**(1,995)**	**-**	**(15,874)**

NOTE 18 - CURRENT AND DEFERRED TAXES, continued

h. Complementary information related to Circular 47° of 2009 issued by the Internal Tax Service and the FMC

For disclosure and crediting of provisions and charge-offs, banks must include in the tax note of their annual Consolidated Financial Statements a detail of the movements and effects generated by the application of article 31, No 4 of the Income Tax Law, as established in the document annexed to the joint circular.

a. Loans and Receivables

	As of June 30,				As of December 31,			
	2022				2021			
		Assets at tax value				Assets at tax value		
			Overdue portfolio				Overdue portfolio	
	Assets at financial value	Total	With profit	Without profit	Assets at financial value	Total	With profit	Without profit
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Interbank loans	12	**12**	-	-	428	**428**	-	-
Commercial loans	16,353,811	**16,394,758**	109,155	119,172	16,241,242	**16,274,632**	104,251	114,526
Consumer loans	4,309,850	**4,366,011**	418	6,305	4,311,658	**4,340,964**	520	6,212
Mortgage loans	14,723,306	**14,745,281**	42,568	388	13,876,175	**13,891,311**	51,228	425
Total	**35,386,967**	**35,506,050**	**152,141**	**125,865**	**34,429,503**	**34,507,335**	**155,999**	**121,163**

b. Provision on the overdue portfolio without guarantees

	Balance as of 01-01-2022	Provisions charge-offs	Established provisions	Released provisions	Balance as of 30-06-2022
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	**114,526**	(82,312)	362,395	(275,436)	**119,172**
Consumer loans	**6,212**	(145,662)	182,616	(37,131)	**6,035**
Mortgage loans	**425**	(2,195)	35,156	(32,997)	**388**
Total	**121,163**	**(230,169)**	**580,167**	**(345,564)**	**125,595**

	Balance as of 01-01-2021	Provisions charge-offs	Established provisions	Released provisions	Balance as of 31-12-2021
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	**130,565**	(82,583)	335,693	(269,149)	**114,526**
Consumer loans	**8,678**	(145,907)	180,753	(37,312)	**6,212**
Mortgage loans	**592**	(2,066)	34,053	(32,154)	**425**
Total	**139,835**	**(230,556)**	**550,499**	**(338,615)**	**121,163**

NOTE 18 - CURRENT AND DEFERRED TAXES, continued

c. Direct charge-offs and recoveries

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Direct Charge-offs Art.31 No 4, paragraph III	(42,662)	(48,113)
Condonations that originated liberation of provisions	-	-
Recoveries or renegotiations of charged-off credits	17,461	72,931
Total	**25,201**	**24,818**

d. Application Article 31 No 4 paragraphs I and IV

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Charge-offs under paragraph I	-	-
Charge-offs under paragraph IV	(2,090)	(29,115)
Total	**(2,090)**	**(29,115)**

NOTE 19 - OTHER ASSETS

The composition of the item's other assets as of June 30, 2022, December 31, and January 1, 2021, is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Other assets			
Assets to be leased out as lessor (1)	34,371	51,957	62,968
Cash guarantees provided for derivative financial transactions (2)	2,371,894	1,988,410	596,555
Debtors due to financial instrument intermediation	12,713	44,860	36,389
Accounts receivable from third parties	171,633	92,039	41,638
VAT tax credit receivable	57,877	38,844	27,631
Expenses paid in advance (3)	286,522	322,887	387,424
Valuation adjustments for macro hedges (4)	179,718	217,979	327,938
Assets to support defined benefit post-employment plan obligations	489	523	673
Investment in gold	715	718	765
Other cash guarantees provided	1	41,195	4
Pending operations	61,196	-	32,188
Other assets	247,864	133,401	174,934
Total	**3,424,993**	**2,932,813**	**1,689,107**

1. This corresponds to assets available to be provided under the modality of finance leases.
2. This corresponds to guarantees related to certain derivative contracts. These guarantees operate when the valuation of derivatives exceeds thresholds defined in the respective contracts and may be in favour of or against the Bank.
3. In this item, the Bank has recorded in advance the expense paid concerning the Santander LATAM Pass programme, which will naturally be consumed as our customers use the Bank's transactional products and are therefore assigned the corresponding LATAM Pass miles (loyalty programme administered by LATAM Airlines Group SA).
4. Corresponds to the balances of the mark-to-market valuation of net assets or liabilities hedged in a macro hedge (Note 12).

NOTE 20 - NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND LIABILITIES INCLUDED IN DISPOSAL GROUPS HELD FOR SALE

The composition of non-current assets and disposal groups held for sale, along with liabilities included in disposal groups held for sale is, as of June 30, 2022, December 31, and January 1, 2021, as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Assets received in payment or awarded in a judicial auction (1)			
Goods received in payment	3,354	3,240	8,288
Assets awarded in a judicial auction	21,531	16,899	17,430
Provisions for assets received in lieu of payment or awarded in a judicial auction	(686)	(406)	(1,196)
Non-current assets held for sale			
Assets for the recovery of goods sold under financial leasing operations	2,570	2,474	3,191
Disposal group for sale	-	-	22,036
Total	**26,769**	**22,207**	**49,749**

a. Goods received in payment are those received in lieu of overdue debts from customers. The aggregate assets held in this way must not exceed 20% of the Bank's effective assets. Currently, these assets represent 0.05% (0.11% as of December 31, 2021) of the Bank's effective equity. Goods awarded in a judicial auction correspond to those awarded in judicial auctions as repayment of debts previously contracted with the Bank. Assets awarded in a judicial auction are not subject to the above. These immovable properties are assets available for sale. For most assets, the sale is expected to be completed within one year from the asset's reception or acquisition. If such property is not sold within the time frame in the regulation, it must be written off. Furthermore, a provision is recorded for the difference between the higher initial award value plus any additions and its estimated realisable value (appraisal).

NOTE 21 - FINANCIAL LIABILITIES HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss comprise the liabilities held for trading and are classified in this category because they are acquired to sell in the short term.

Financial liabilities held for trading and derivatives that are financial liabilities are measured at fair value, in which gains and losses are taken to the income statement.

As of June 30, 2022, December 31, 2022, and January 1, 2021, the Bank holds the following portfolio of financial liabilities held for trading at fair value through profit or loss:

		Fair value	
		Liabilities	
	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Financial derivatives contracts			
Forwards	2,227,352	1,199,062	1,158,904
Swaps	11,994,161	8,305,894	7,408,358
Call options	918	1,137	909
Put options	462	938	1,352
Future	-	-	-
Other	-	-	-
Subtotal	**14,222,893**	**9,507,031**	**8,569,523**
Other financial instruments			
Deposits and other demand liabilities	-	-	-
Time deposits and other term equivalents	-	-	-
Issued debt instruments	-	-	-
Other derivatives	-	-	-
Subtotal	**-**	**-**	**-**
Total	**14,222,893**	**9,507,031**	**8,569,523**

Banco Santander presents financial liabilities for trading at fair value through profit or loss corresponding to financial derivative contracts, specifically forwards and swaps, which hedge the exchange rate and interest rate risk related to future obligations.

NOTE 21 - FINANCIAL LIABILITIES HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS, continued

The following is a breakdown of the financial derivatives contracted by the Bank as of June 30, 2022, December 31, and January 1, 2021, their fair value and the breakdown by the maturity of the notional or contractual values:

	June 30, 2022								
	Notional								
	On demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	More than 5 years	Total	Fair value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial derivatives contracts									
Currency forwards	-	8,434,221	3,717,261	7,426,094	3,892,778	2,100,692	2,297,163	**27,868,209**	**2,227,352**
Interest rate swaps	-	2,057,511	8,191,197	20,774,567	26,486,217	11,721,991	21,129,168	**90,360,651**	**4,687,861**
Currency and interest rate swaps	-	588,889	836,499	5,157,057	15,526,186	9,770,372	19,178,450	**51,057,453**	**7,306,300**
Currency call options	-	6,270	-	9,264	461	-	-	**15,995**	**918**
Call interest rate options	-	-	-	-	-	-	-	-	-
Put currency options	-	26,974	27,934	39,665	-	-	-	**94,573**	**462**
Put interest rate options	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-
Total	-	**11,113,865**	**12,772,891**	**33,406,647**	**45,905,642**	**23,593,055**	**42,604,781**	**169,396,881**	**14,222,893**

	December 31, 2021								
	Notional								
	On demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	More than 5 years	Total	Fair value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial derivatives contracts									
Currency forwards	-	5,369,842	4,957,261	6,398,764	3,301,424	2,119,432	1,952,222	**24,098,945**	**1,199,062**
Interest rate swaps	-	1,131,174	5,367,798	13,652,696	19,103,274	12,988,788	20,012,086	**72,255,816**	**2,997,634**
Currency and interest rate swaps	-	659,937	1,408,678	7,215,300	22,141,245	23,952,436	36,666,238	**92,043,834**	**5,308,260**
Currency call options	-	3,101	6,284	9,458	427	-	-	**19,270**	**1,137**
Call interest rate options	-	-	-	-	-	-	-	-	-
Put currency options	-	3,023	16,476	166,365	-	-	-	**185,864**	**938**
Put interest rate options	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-
Total	-	**7,167,077**	**11,756,497**	**27,442,583**	**44,546,370**	**39,060,656**	**58,630,546**	**188,603,729**	**9,507,031**

	January 1, 2021								
	Notional								
	On Demand	Up to 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 3 years	Between 3 years and 5 years	More than 5 years	Total	Fair value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial derivatives contracts									
Currency forwards	-	-	-	975,756	6,390,231	2,374,185	13,456,164	**23,196,336**	**1,158,904**
Interest rate swaps	-	-	-	368,339	2,874,122	2,856,678	63,462,425	**69,561,564**	**3,588,912**
Currency and interest rate swaps	-	-	59	374,540	1,065,392	474,308	75,680,255	**77,594,554**	**3,819,446**
Currency call options	-	-	-	68,540	1,446	8,396	83,353	**161,735**	**909**
Call interest rate options	-	-	-	-	-	-	-	-	-
Put currency options	-	-	-	891	9,269	1,069	9,387	**20,616**	**1,377**
Put interest rate options	-	-	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-	-
Total	-	-	**59**	**1,788,066**	**10,340,460**	**5,714,636**	**152,691,584**	**170,534,805**	**8,569,523**

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST

As of June 30, 2022, December 31, and January 1, 2021, the composition of financial liabilities at amortised cost is as follows:

		As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Deposits and other demand liabilities				
Current accounts		12,837,777	14,385,633	11,342,648
Demand deposit accounts		845,315	1,155,891	1,078,594
Other demand deposits		461,114	607,718	499,835
Obligations for payment card provisioning accounts		7,198	9,624	4,754
Other liabilities on demand		1,574,225	1,742,072	1,635,062
	Subtotal	**15,725,629**	**17,900,938**	**14,560,893**
Time deposits and other term equivalents				
Time deposits		11,684,010	9,926,507	10,421,872
Term savings accounts		200,160	195,570	153,330
Other term credit balances		9,129	8,978	6,589
	Subtotal	**11,893,299**	**10,131,055**	**10,581,791**
Obligations under repurchase and securities lending agreements				
Transactions with domestic banks		-	-	-
Transactions with foreign banks		-	-	-
Transactions with other entities in the country		811,731	86,634	969,808
Transactions with other entities abroad		-	-	-
	Subtotal	**811,731**	**86,634**	**969,808**
Interbank borrowing				
Banks in the country		37,486	1,226	217,102
Foreign banks		3,805,391	3,213,918	1,152,237
Central Bank of Chile		5,400,839	5,611,439	4,959,260
	Subtotal	**9,243,716**	**8,826,583**	**6,328,599**
Debt financial instruments issued				
Letters of Credit		5,574	7,479	12,314
Senior bonds		6,926,278	6,846,834	6,749,989
Mortgage bonds		81,789	81,110	84,335
	Subtotal	**7,013,641**	**6,935,423**	**6,846,638**
Other financial liabilities				
Other financial obligations to the public sector		-	-	-
Other financial obligations in the country		295,479	182,737	175,344
Other financial obligations abroad		5,740	170	8,974
	Subtotal	**301,219**	**182,907**	**184,318**
Total		**44,989,235**	**44,063,540**	**39,472,047**

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

a. Obligations under repurchase and securities lending agreements

As of June 30, 2022, December 31, and January 1, 2021, the obligations related to the instruments sold under repurchase agreements are as follows:

	As of June 30, 2022				As of December 31, 2021				As of January 1, 2021			
	On demand	Up to 1 month	Between 1 month and 3 months	Total	Demand	Up to 1 month	Between 1 month and 3 months	Total	On demand	Up to 1 month	Between 1 month and 3 months	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Transactions with domestic banks												
Repurchase agreements with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase agreements with the Central Bank of Chile	-	-	-	-	-	-	-	-	-	-	-	-
Securities lending obligations	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with foreign banks												
Repurchase agreements with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase agreements with foreign central banks	-	-	-	-	-	-	-	-	-	-	-	-
Securities lending obligations	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with other entities in the country												
Repurchase agreements	22,878	398,752	390,101	**811,731**	-	86,534	101	**86,635**	-	969,612	196	**969,808**
Securities lending obligations	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	22,878	398,752	390,101	811,731	-	86,534	101	86,635	-	969,612	196	969,808
Transactions with other entities abroad												
Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
Securities lending obligations	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Total	22,878	398,752	390,101	811,731	-	86,534	101	86,635	-	969,612	196	969,808

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

b. Interbank borrowing

At the end of the Interim Consolidated Financial Statements as of June 30, 2022, December 31, and January 1, 2021, the composition of the item 'Obligations to Banks' is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Loans obtained from the Central Bank of Chile	5,400,839	5,611,439	4,959,260
Loans from domestic financial institutions	37,486	1,226	217,102
Loans from foreign financial institutions			
Bank of America	492,340	411,775	90,711
Wells Fargo Bank NA	477,598	363,854	71,259
Standard Chartered Bank	418,038	51,616	3,207
Sumitomo Mitsui Banking Corporation	412,475	389,676	35,628
State Bank of India	366,416	60,901	36,013
Citibank NA	320,967	259,620	46
Banco Santander España	229,658	865,377	534,496
The Bank of Nova Scotia	214,890	203,466	226624
The Bank of New York Mellon	206,395	106,485	117,977
The Toronto Dominion Bank	144,794	136,904	-
Commerzbank Ag	116,620	69,323	-
Zurcher Kantonalbank	94,455	-	-
Barclays Bank Plc London	92,466	86,616	-
Hsbc Bank Plc	92,185	51,895	-
The Bank of Montreal	51,844	48,859	-
Wachovia Bank NA	34,995	33,926	15,954
Dz Bank Ag Deutsche Zentral	15,598	14,733	-
Banco Santander Hong Kong	7,227	5,315	10,960
Bank of China	4,349	6,051	223
Citic Industrial Bank	4,311	57	-
Bank of Communications	1,276	8,443	-
Banca Intesa SPA	1,151	-	-
Industrial Bank of Korea	574	169	-
Kbc Bank Nv	557	-	68
Hong Kong and Shanghai Banking	478	1,500	-
Banco De La Nación Argentina	374	159	30
Taiwan Cooperative Bank	356	92	227
Hua Nan Commercial Bank	341	54	200
Korea Exchange Bank	295	1,545	760
Intesa Sanpaolo	290	161	-
Banca Nazionale Del Lavoro	261	193	-
Icio Bank Limited	222	305	52
Caixabank	215	51	58
China Construction Bank	157	119	38
Banco Santander Central Hispano	137	170	-
China Zheshang Bank	128	-	-
Indian Overseas Bank	112	67	-
Turkiye Garanti Bankasi	96	19	-
Canara Bank	95	72	61
Banco De Crédito Del Perú	95	58	-
Bbva Bancomer	87	268	-
Bank of Tokyo Mitsubishi	84	552	2,055
Export-Import Bank of Thailand	73	-	-
Agricultural Bank of China	66	104	18
Banco Do Brasil	58	467	265
Fortis Bank	53	82	108
Industrial and Commercial Bank	49	203	755
Kookmin Bank	34	491	376
China Merchants Bank	-	-	231
Bbva Uruguay	29	238	-
Credit Industriel Et Commercia	17	-	-
UniCredit	10	222	-
Banco Santander Brasil	-	2,415	1694
Banca Commerciale Italiana	-	932	88
Yapi Ve Kredi Bankasi	-	417	-
Commerce Bank Na	-	319	-
The Hongkong and Shanghai Bank	-	202	-
Bank of India	-	181	-
Banco Popolare	-	-	14
Bank of East Asia	-	143	29
Turkiye Cumhuriyeti Ziraat Ban	-	141	-
Turkiye Is Bankasi	-	122	-
Credit Agricole Italia	-	67	33
Subtotal	3,805,391	3,187,192	1,150,258

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Loans from foreign financial institutions continued			
Banco Bilbao Vizcaya Argentaria	-	125	-
Banco Galicia Y Buenos Aire	-	-	-
Shanghai Commercial and Saving	-	61	1
Indian Overseas Bank	-	67	6
Bankers Trust USA	-	-	-
Banco Comercial Portugues	-	989	-
Banco Credicoop Cooperativo	-	6	-
Banco De Bogota	-	345	-
Banco Itaú Brasil	-	84	-
Banco Santander Central Hispano	-	170	141
Banco Santander Singapur	-	17,737	-
Bancolombia	-	9	-
Bank of Baroda	-	213	124
Banque Nationale De Paris	-	2,806	-
Barclays Bank Plc London	-	86,616	-
Bbva Bancomer	-	268	-
Credit Agricole Reims	-	171	-
Deutsche Bank Ag	-	530	-
E. Sun Commercial Bank	-	57	11
Finans Bank	-	109	-
First Union National Bank		132	60
Hong Kong and Shanghai Banking	-	1,500	1,399
Hsbc Bank Plc	-	51,895	-
Hsbc Bank USA	-	517	-
Iccrea Banca	-	28	-
Mizuho Bank	-	725	-
Nanjing City Commercial Bank	-	89	-
Ningbo Commercial Bank	-	556	-
Rabobank Nederland	-	57	-
Shanghai Pudong Development Bank	-	1,321	-
Shinhan Bank	-	59	-
Turkiye Garanti Bankasi	-	19	-
Turkiye Garanti Bankasi	-	-	-
Banco De La República Oriental	-	-	74
Banca Monte Dei Paschi di Siena	-	-	163
Subtotal	**-**	**167,261**	**1,979**
Total	**9,243,716**	**8,826,583**	**6,328,599**

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

c. **Obligations to the Central Bank of Chile**

As part of the Central Bank of Chile's measures to address the shocks impacting the Chilean economy due to the current Covid-19 pandemic, the Credit Facility Conditional to Incremental Flexibility (FCIC) programme was announced. This corresponds to a unique financial facility open to banks, allowing them to continue funding households and companies' loans.

The Bank must leave collateral for these operations, which include: the Central Bank of Chile, the government and private bonds (bank and corporate) and, more recently, commercial credits from the individual assessment portfolio classified as high credit quality. FCIC resources can also be accessed through the Liquidity Line of Credit (LCL), capped at the local currency reserve requirement.

The FCIC consists of an initial facility and an additional one. The first amounts to US$4,800 million. The additional line can reach four times the initial line, that is, US$19,200 million, and its availability depends on two factors: growth of the base portfolio and targeting of loans to smaller companies. Furthermore, the Central Bank created the FCIC 2 for US$16,000 million.

The maturity of these obligations is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	-	-	-
Due after 1 to 2 years	-	-	1,104,759
Due after 2 to 3 years	5,400,839	5,611,439	-
Due after 3 to 4 years	-	-	3,854,501
Due after 5 years	-	-	-
Total liabilities to the Central Bank of Chile	**5,400,839**	**5,611,439**	**4,959,260**

d. **Loans from domestic financial institutions**

The maturity of these obligations is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	37,486	1,226	217,102
Due after 1 to 2 years	-	-	-
Due after 2 to 3 years	-	-	-
Due after 3 to 4 years	-	-	-
Due after 5 years	-	-	
Total loans from domestic financial institutions	**37,486**	**1,226**	**217,102**

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

b. **Obligations abroad**

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	3,805,339	3,213,918	1,116,570
Due after 1 to 2 years	52	-	35,667
Due after 2 to 3 years	-	-	-
Due after 3 to 4 years	-	-	-
Due after 5 years	-	-	-
Total loans from foreign financial institutions	**3,805,391**	**3,213,918**	**1,152,237**

c. **Issued Debt Financial Instruments and Other Financial Obligations**

Debts classified as short-term constitute obligations on demand or that will mature in one year or less. All other debts are classified as long-term. The details are as follows:

	As of June 30, 2022		
	Short-term MCh$	Long-term MCh$	Total MCh$
Letters of credit	3,355	2,219	**5,574**
Senior bonds	891,538	6,034,740	**6,926,278**
Mortgage bonds	6,571	75,218	**81,789**
Issued debt instruments	**901,464**	**6,112,177**	**7,013,641**
Other financial liabilities	**300,970**	**249**	**301,219**
Total	**1,202,434**	**6,112,426**	**7,314,860**

	As of December 31, 2021		
	Short-term MCh$	Long-term MCh$	Total MCh$
Letters of credit	3,946	3,533	**7,479**
Senior bonds	1,158,301	5,688,533	**6,846,834**
Mortgage bonds	6,041	75,069	**81,110**
Issued debt instruments	**1,168,288**	**5,767,135**	**6,935,423**
Other financial liabilities	**182,646**	**261**	**182,907**
Total	**1,350,934**	**5,767,396**	**7,118,330**

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

	As of January 1, 2021		
	Short-term MCh$	Long-term MCh$	Total MCh$
Letters of credit	4,982	7,332	**12,314**
Senior bonds	1,124,558	5,625,431	**6,749,989**
Mortgage bonds	5,465	78,870	**84,335**
Issued debt instruments	**1,135,005**	**5,711,633**	**6,846,638**
Other financial liabilities	**184,028**	**290**	**184,318**
Total	**1,319,033**	**5,711,923**	**7,030,956**

d. Mortgage bills

These bills are used to finance mortgage loans. The principal amounts of these are amortised quarterly. The bills are indexed to the UF and yield an interest rate of 5.20% as of June 30, 2022 (5.21% as of December 31, 2021).

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	3,356	3,946	4,982
Due after 1 to 2 years	1,766	2,395	3,816
Due after 2 to 3 years	437	980	2,375
Due after 3 to 4 years	15	158	979
Due after 4 to 5 years	-	-	162
Due after 5 years	-	-	-
Total mortgage bills	**5,574**	**7,479**	**12,314**

e. Senior bonds

The details of senior bonds by currency are as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Santander Bonds in UF	3,034,409	3,144,544	4,017,708
Santander Bonds in US$	2,555,496	1,976,909	1,263,714
Santander Bonds in CHF$	675,405	850,924	466,738
Santander Bonds in Ch$	161,189	311,060	639,489
Current bonds in AUD$	134,668	143,030	125,781
Senior bonds in JPY$	195,604	234,667	68,093
Senior bonds in EUR$	169,507	185,700	168,466
Total senior bonds	**6,926,278**	**6,846,834**	**6,749,989**

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

a. *Placement of senior bonds:*

During 2021 the Bank has placed bonds for UF 47,090,000, US$ 30,000,000 and Ch$ 340,000,000 as follows:

Series	Currency	Amount placed	Term (years)	Issuance rate Annual	Issue Date	Placement Date	Issue Amount	Maturity Date
T3	UF	5,000,000	11 years	1.55	01-01-19	16-06-22	5,000,000	01-01-30
W3	UF	1,100,000	7,5 years	1.60	01-12-18	30-06-22	1,100,000	01-06-26
W5	UF	990,000	9 years	1.80	01-03-19	30-06-22	990,000	01-03-28
Total UF		**7,090,000**					**7,090,000**	
Bond US$	US$	30,000,000	3 years	Sofr + 95pb	20-04-22	28-04-22	30,000,000	28-04-25
Total US$		**30,000,000**					**30,000,000**	
U6	CLP	36,800,000,000	5,5 years	2.95	01-10-20	16-06-22	36,800,000,000	01-04-26
U5	CLP	93,000,000,000	4,5 years	2.70	01-10-20	29-06-22	93,000,000,000	01-04-25
Total (CLP)		**129,800,000,000**					**129,800,000,000**	

During 2021 the Bank has placed bonds for UF 4,000,000, US$ 693,000,000, JPY$ 25,000,000,000 and CHF$ 340,000,000 as follows:

Series	Currency	Amount placed	Term (years)	Issuance rate Annual	Issue Date	Placement Date	Issue Amount	Maturity Date
W1	UF	4,000,000	5 and 3 months	1.55 annual	01-12-2018	04-02-2021	6,000,000	04-09-2026
Total UF		**4,000,000**					**6,000,000**	
Bond US$	US$	50,000,000	2 and 10 months	0.71 annual	25-02-2021	25-02-2021	50,000,000	28-12-2023
Bond US$	US$	100,000,000	2 and 11 months	0.72 annual	26-02-2021	26-02-2021	100,000,000	26-01-2024
Bond US$	US$	27,000,000	7 years	2.05 annual	09-06-2021	09-06-2021	27,000,000	09-06-2028
Bond US$	US$	16,000,000	5 years	1.64 annual	15-07-2021	15-07-2021	16,000,000	15-07-2026
Bond US$	US$	500,000,000	10 years	3.18 annual	21-10-2021	21-10-2021	500,000,000	26-10-2031
Total USD		**693,000,000**					**693,000,000**	
Bond JPY	JPY	10,000,000,000	5 years	0.35 annual	13-05-2021	13-05-2021	10,000,000,000	13-05-2026
Bond JPY	JPY	2,000,000,000	4 years	0.40 annual	12-07-2021	12-07-2021	2,000,000,000	22-07-2025
Bond JPY	JPY	10,000,000,000	4 years	0.42 annual	13-07-2021	13-07-2021	10,000,000,000	28-07-2025
Bond JPY	JPY	3,000,000,000	4 and 5 months	0.48 annual	08-11-2021	08-11-2021	3,000,000,000	18-05-2026
Total JPY		**25,000,000,000**					**25,000,000,000**	
Bond CHF	CHF	150,000,000	6 years	0.33 annual	22-06-2021	22-06-2021	150,000,000	22-06-2027
Bond CHF	CHF	190,000,000	5 years	0.30 annual	12-10-2021	12-10-2021	190,000,000	22-10-2026
Total CHF		**340,000,000**					**340,000,000**	

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

b. Repurchase of senior bonds

The bank has made the following partial bond repurchases during the quarter of 2022:

Date	Type	Currency	Amount
07-01-2022	Senior	UF	1,065,000
10-01-2022	Senior	UF	150,000
03-02-2022	Senior	Ch$	4,000,000,000
04-02-2022	Senior	UF	785,000
04-02-2022	Senior	UF	1,205,000
17-02-2022	Senior	USD	4,156,000
08-03-2022	Senior	UF	7,000
09-03-2022	Senior	UF	5,000
10-03-2022	Senior	UF	5,000
14-03-2022	Senior	UF	5,000

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

The Bank has made the following partial bond repurchases during 2021:

Date	Type	Currency	Amount
18-02-2021	Senior	UF	8,000
18-02-2021	Senior	CLP	14,720,000,000
22-02-2021	Senior	CLP	500,000,000
22-02-2021	Senior	CLP	150,000,000
24-02-2021	Senior	UF	300,000
04-03-2021	Senior	UF	519,000
05-03-2021	Senior	CLP	300,000,000
05-03-2021	Senior	CLP	1,900,000,000
22-03-2021	Senior	UF	50,000
24-03-2021	Senior	UF	150,000
24-03-2021	Senior	UF	7,000
01-06-2021	Senior	UF	107,000
15-06-2021	Senior	UF	1,000
17-06-2021	Senior	CLP	970,000,000
23-06-2021	Senior	UF	105,000
23-06-2021	Senior	UF	50,000
24-06-2021	Senior	UF	21,000
24-06-2021	Senior	UF	278,000
24-06-2021	Senior	UF	20,000
24-06-2021	Senior	UF	100,000
06-07-2021	Senior	UF	1,000,000
07-07-2021	Senior	UF	340,000
09-07-2021	Senior	UF	312,000
20-07-2021	Senior	UF	194,000
21-07-2021	Senior	UF	150,000
21-07-2021	Senior	UF	100,000
22-07-2021	Senior	UF	100,000
22-07-2021	Senior	UF	25,000
22-07-2021	Senior	UF	57,000
09-08-2021	Senior	UF	4,500,000
10-08-2021	Senior	UF	710,000
13-08-2021	Senior	CLP	61,000,000,000
01-10-2021	Senior	CLP	5,950,000,000
05-10-2021	Senior	UF	704,000
05-10-2021	Senior	CLP	3,720,000,000
05-10-2021	Senior	UF	4,200,000,000
05-10-2021	Senior	UF	89,000
05-10-2021	Senior	UF	150,000
06-10-2021	Senior	UF	18,000
06-10-2021	Senior	UF	138,000
06-10-2021	Senior	UF	420,000
07-10-2021	Senior	UF	1,000,000
26-10-2021	Senior	UF	318,000

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

c. *Maturities of senior bonds*

The maturity of the senior bonds is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	891,538	1,158,301	1,124,558
Due after 1 to 2 years	678,615	511,144	1,047,241
Due after 2 to 3 years	1,916,149	1,285,409	742,081
Due after 3 to 4 years	929,146	1,549,769	1,228,524
Due after 4 to 5 years	964,423	616,750	1,250,897
Due after 5 years	1,546,407	1,725,461	1,356,688
Total senior bonds	**6,926,278**	**6,846,834**	**6,749,989**

d. Mortgage bonds

The detail of mortgage bonds by currency is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Mortgage bonds in UF	81,789	81,110	84,335
Total mortgage bonds	**81,789**	**81,110**	**84,335**

a. *Mortgage bond placements*

As of June 30, 2022, December 31, 2021, and January 1, 2021, the Bank has not issued any mortgage bonds.

b. *Maturity of mortgage bonds*

The maturity of the mortgage bonds is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Due within 1 year	6,571	6,041	5,465
Due after 1 to 2 years	10,549	9,698	8,773
Due after 2 to 3 years	10,889	10,011	9,056
Due after 3 to 4 years	11,240	10,334	9,348
Due after 4 to 5 years	11,603	10,667	9,649
Due after 5 years	30,937	34,359	42,044
Total mortgage bonds	**81,789**	**81,110**	**84,335**

NOTE 22 - FINANCIAL LIABILITIES AT AMORTISED COST, continued

c. Other financial liabilities

The composition of other financial liabilities, according to maturity, is summarised below:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Long-term obligations:			
Due after 1 to 2 years	83	48	42
Due after 2 to 3 years	59	53	47
Due after 3 to 4 years	65	58	50
Due after 4 to 5 years	42	57	55
Due after 5 years	-	45	96
Long-term financial liabilities subtotals	**249**	**261**	**290**
Short-term obligations:			
Amount payable for credit card transactions	203,593	149,894	134,790
Approval of letters of credit	12	159	1,460
Other long-term financial obligations (short-term portion)	97,365	32,593	47,778
Short-term financial obligations subtotals	**300,970**	**182,646**	**184,028**
Other financial obligations total	**301,219**	**182,907**	**184,318**

NOTE 23 - ISSUED REGULATORY CAPITAL INSTRUMENTS

The balances as of June 30, 2022, December 31, and January 1, 2021, of the Regulatory Capital Financial Instruments issued are as follows:

	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021
	MCh$	MCh$	MCh$
Financial instruments of regulatory capital issued			
Subordinated bonds with transitional recognition	-	-	-
Subordinated Bonds	1,657,710	1,461,637	1,357,539
Bonds without fixed maturity	639,996	592,468	-
Preferred shares	-	-	-
Subtotal	**2,297,706**	**2,054,105**	**1,357,539**

Debts classified as short-term constitute obligations on demand or that will mature in one year or less. All other debts are classified as long-term. The details are as follows:

	As of June 30, 2022		
	Short-term	Long-term	Total
	MCh$	MCh$	MCh$
Subordinated bonds with transitional recognition	-	-	-
Subordinated Bonds	-	1,657,710	1,657,710
Bonds without fixed maturity	-	639,996	639,996
Preferred shares	-	-	-
Total	**-**	**2,297,706**	**2,297,706**

	As of December 31, 2021		
	Short-term	Long-term	Total
	MCh$	MCh$	MCh$
Subordinated bonds with transitional recognition	-	-	-
Subordinated Bonds	-	1,461,637	1,461,637
Bonds without fixed maturity	-	592,468	592,468
Preferred shares	-	-	-
Total	**-**	**2,054,105**	**2,054,105**

The details of subordinated bonds by currency are as follows:

	As of June 30, 2022	As of December 31, 2021
	MCh$	MCh$
CLP	-	-
US$	184,087	230,118
UF	1,473,623	1,231,519
Subordinated bond totals	**1,657,710**	**1,461,637**

Bonds with no fixed maturity are all in US$ currency.

NOTE 23 - ISSUED REGULATORY CAPITAL INSTRUMENTS

The movement in the balance of Regulatory Capital Financial Instruments issued as of June 30, 2022, and December 31, 2021, is as follows:

	Preferred shares	Subordinated Bonds	Bonds without fixed maturity	Total
	MCh$	MCh$	MCh$	MCh$
Balances as of January 1, 2022	-	1,461,637	592,468	2,054,105
New issues/placements made	-	116,009	-	116,009
Accrued interest at the effective interest rate (subordinated bonds)	-	3,647	-	3,647
Accrued adjustments due to UF and/or exchange rate (subordinated bonds, bonds with no fixed term to maturity)	-	87,858	-	87,858
Other movements (Discounts/Hedges/Exchange rate)	-	(11,441)	47,528	36,087
Balance as of June 30, 2022	-	1,657,710	639,996	2,297,706

	Preferred shares	Subordinated Bonds	Bonds without fixed maturity	Total
	MCh$	MCh$	MCh$	MCh$
Balances as of January 1, 2021	-	1,357,529	-	1,357,529
New issues/placements made	-	83,557	592,468	676,025
Accrued interest at the effective interest rate (subordinated bonds)	-	(4,250)	-	(4,250)
Accrued adjustments due to UF and/or exchange rate (subordinated bonds, bonds with no fixed term to maturity)	-	25,001	-	25,001
Other movements (Discounts/Hedges/Exchange rate)	-	(200)		(200)
Balances as of December 31, 2021	-	1,461,637	592,468	2,054,105

Regulatory capital instruments issued and placed as of June 30, 2022, December 31, 2021, and January 1, 2021.

Instrument series in place As of June 30, 2022	Currency of issue	Placement amount in the currency of issue	Annual issuance rate	Issuing period	Placement date	Maturity date
USTDW70320	UF	3,300,000	3.51%		07-01-2022	01-09-2028

In 2021, the Bank did not place any subordinated bonds.

On October 21, 2021, Banco Santander Chile issued a bond with no maturity date in the international markets, eligible as additional tier 1 or 'AT1' capital (the 'Bonds'), to be acquired by an entity of the Santander Group, for an amount of USD 700,000,000 and with a rate of 4.625%.

NOTE 24 - PROVISIONS FOR CONTINGENCIES

As of June 30, 2022, December 31, and January 1, 2021, the composition of the balance of provisions is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Provisions for employee benefit obligation	81,490	109,001	102,959
Provisions for restructuring plans	-	-	-
Provisions for lawsuits and litigations	3,880	3,035	2,410
Provisions for customer loyalty and merit programme obligations	38	38	38
Operational risk	2,471	1,578	-
Other provisions for other contingencies	71,463	51,894	32,479
Total	**159,342**	**165,546**	**137,886**

The movement in provisions as of June 30, 2022, and December 31, 2021, is shown below:

	Provisions						
	For employee benefit obligation MCh$	Restructuring plans MCh$	Lawsuits and litigation MCh$	Obligation for customer loyalty and merit programmes MCh$	Other Contingency Provisions MCh$	Operational risk MCh$	Total MCh$
Balances as of January 1, 2022	**109,001**	**-**	**3,035**	**38**	**51,894**	**1,578**	**165,546**
Established provisions	43,491	-	845	-	21,747	893	**66,976**
Implementation of provisions	(71,802)	-	-	-	-	-	**(71,802)**
Provision release	(567)	-	-	-	(2,179)	-	**(2,746)**
Reclassifying		-	-	-	-	-	**-**
Other movements	1,367	-	-	-	-	-	**1,367**
Balance as of June 30, 2022	**81,490**	**-**	**3,880**	**38**	**71,463**	**2,471**	**159,342**
Balances as of January 1, 2021	**102,959**	**-**	**2,410**	**38**	**32,479**	**-**	**137,886**
Established provisions	90,363	-	625	-	30,268	1,578	**122,835**
Implementation of provisions	(80,768)	-	-	-	-	-	**(80,768)**
Provision release	(1,836)	-	-	-	(10,853)	-	**(12,689)**
Reclassifying	-	-	-	-	-	-	**-**
Other movements	(1,717)	-	-	-	-	-	**(1,717)**
Balances as of December 31, 2021	**109,001**	**-**	**3,035**	**38**	**51,894**	**1,578**	**165,546**

NOTE 25 - PROVISIONS FOR DIVIDEND, INTEREST PAYMENT AND REVALUATION OF REGULATORY EQUITY FINANCIAL

The balances as of June 30, 2022, December 31, and January 1, 2021, of provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments are as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Provision for payment of common stock dividends	157,665	233,775	155,234
Provision for payment of preferred share dividends	-	-	-
Provision for interest payments on bonds with no fixed maturity date	3,874	4,995	-
Provision for bond repricing without fixed term to maturity	-	-	-
Total	**161,539**	**238,770**	**155,234**

The movement in the balance of provisions for dividends, interest payments and repricing of regulatory capital financial instruments issued as of June 30, 2022, and December 31, 2021, is as follows:

	Provision for payment of common stock dividends MCh$	Provision for payment of preferred stock dividends MCh$	Provision for interest payments on bonds with no fixed term to maturity MCh$	Provision for bond repricing without fixed term to maturity MCh$
Balances as of January 1, 2022	**233,775**	**-**	**4,995**	**-**
Established provisions	156,378	-	-	-
Implementation of provisions	(232,488)	-	-	-
Provision release	-	-	-	-
Reclassifying	-	-	-	-
Other movements	-	-	(1,121)	-
Balance as of June 30, 2022	**157,665**	**-**	**3,874**	**-**

	Provision for payment of common stock dividends MCh$	Provision for payment of preferred stock dividends MCh$	Provision for interest payments on bonds with no fixed term to maturity MCh$	Provision for bond repricing without fixed term to maturity MCh$
Balances as of January 1, 2021	**155,234**	**-**	**-**	**-**
Established provisions	233,775	-	4,995	-
Implementation of provisions	(155,234)	-	-	-
Provision release	-	-	-	-
Reclassifying	-	-	-	-
Other movements	-	-	-	-
Balances as of December 31, 2021	**233,775**	**-**	**4,995**	**-**

NOTE 26 - SPECIAL PROVISIONS FOR CREDIT RISK

As of June 30, 2022, December 31, and January 1, 2021, the composition of the balance of the special provisions for credit risk is as follows:

Special provisions for credit risk	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Credit risk provisions for contingent claims			
Guarantees and sureties	9,024	8,009	3,676
Letters of credit for goods movement operations	780	1,131	638
Debt purchase commitments in local currencies abroad	-	-	-
Transactions related to contingent events	13,482	12,341	13,978
Immediately repayable unrestricted credit lines	11,308	7,734	5,168
Unrestricted credit lines	-	-	-
Other credit commitments	1,969	1,586	1,169
Other contingent credits	-	-	-
Subtotal	**36,563**	**30,801**	**24,629**
Provisions for local risk for operations with debtors domiciled abroad	33	194	49
Subtotal	**33**	**194**	**49**
Special provisions for foreign loans	-	-	-
Subtotal	-	-	-
Additional provisions for loans			
Additional provisions for commercial loans	222,000	222,000	90,000
Additional provisions for mortgage loans	10,000	10,000	10,000
Additional provisions for consumer loans	26,000	26,000	26,000
Subtotal	**258,000**	**258,000**	**126,000**
Provisions for adjustments to the minimum required provision for normal portfolio with individual assessment	-	-	-
Subtotal	-	-	-
Provisions established for credit risk as a result of supplementary prudential requirements	-	-	-
Subtotal	-	-	-
TOTAL	**294,596**	**288,995**	**150,678**

NOTE 26 - SPECIAL PROVISIONS FOR CREDIT RISK, continued

The movement in provisions as of June 30, 2022, and December 31, 2021, is shown below:

Special provisions for credit risk as of June 30, 2022 (MCh$)	Provisions for contingent claims	Provisions for local risk	Special provisions for foreign loans	Additional provisions for loans	Provisions for adjustments to minimum provision requirements	Provisions due to supplementary prudential requirements
Balance as of January 1, 2022	**30,801**	**194**	**-**	**258,000**	**-**	**-**
Provision establishment	7,700	-	-	-	-	-
Provision application	-	-	-	-	-	-
Provision release	(1,938)	(161)	-	-	-	-
Other changes in provisions	-		-	-	-	-
Balance as of June 30, 2022	**36,563**	**33**	**-**	**258,000**	**-**	**-**

Special provisions for credit risk as of December 31, 2021 (MCh$)	Provisions for contingent claims	Provisions for local risk	Special provisions for foreign loans	Additional provisions for loans	Provisions for adjustments to minimum provision requirements	Provisions due to supplementary prudential requirements
Balance as of January 1, 2021	**24,629**	**49**	**-**	**126,000**	**-**	**-**
Provision establishment	14,595	188	-	132,000	-	-
Provision application	-	-	-	-	-	-
Provision release	(8,423)	(43)	-	-	-	-
Other changes in provisions	-	-	-	-	-	-
Balance as of December 31, 2021	**30,801**	**194**	**-**	**258,000**	**-**	**-**

NOTE 27 - OTHER LIABILITIES

The composition of other liabilities as of June 30, 2022, December 31, and January 1, 2021, is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Other liabilities			
Cash guarantees received for financial derivative transactions (1)	1,208,861	857,679	624,205
Creditors for the intermediation of financial instruments	19,020	30,755	40,973
Accounts payable to third parties	386,452	308,204	246,112
Valuation adjustments for macro-hedges (2)	75,141	68,524	51,090
Revenue liabilities due to income from ordinary activities generated by contracts with customers	5,941	6,327	6,675
VAT debit unpaid tax	37,045	33,251	26,985
Other cash guarantees received	-	-	-
Pending operations	12,487	27,595	23,739
Other liabilities	370,013	280,076	146,272
Total	**2,114,960**	**1,612,411**	**1,166,051**

a. This corresponds to guarantees related to certain derivative contracts (threshold transactions). These guarantees operate when the valuation of derivatives exceeds thresholds defined in the respective contracts and may be in favour of or against the Bank.

b. This corresponds to the balances of the mark-to-market valuation of net assets or liabilities hedged in a macro-hedge (Note 12).

NOTE 28 - EQUITY

a. Equity and preferred shares

As of June 30, 2022, and December 31, 2021, the Bank has a share capital of MCh$891,303 comprising 188,446,126,794 authorised shares, which are subscribed and paid up. All these are ordinary shares with no par value and no preferences. Accordingly, share movements as of June 30, 2022, and December 31, 2021, are as follows:

	Shares	
	As of June 30, 2022	As of December 31, 2021
Issued as of January 1,	188,446,126,794	188,446,126,794
Issuance of paid-up shares	-	-
Issuance of shares owed	-	-
Exercised stock option	-	-
Total shares	**188,446,126,794**	**188,446,126,794**

As of June 30, 2022, and December 31, 2021, the Bank does not hold any treasury shares, nor do the companies involved in the consolidation.

As of June 30, 2022, the shareholders' distribution is as follows:

Company name or Shareholder name	Shares	ADRs (*)	Total	% Of equity holding
Santander Chile Holding SA	66,822,519,695	-	**66,822,519,695**	35.46
Teatinos Siglo XXI Inversiones Limitada	59,770,481,573	-	**59,770,481,573**	31.72
The Bank of New York Mellon	-	18,546,188,071	**18,546,188,071**	9.84
Banks on behalf of third parties	15,880,253,072	-	**15,880,253,072**	8.43
Pension funds (AFP) on behalf of third parties	16,148,546,014	-	**16,148,546,014**	8.57
Stockbrokers on behalf of third parties	5,117,725,560	-	**5,117,725,560**	2.72
Other minority holders	6,160,412,809	-	**6,160,412,809**	3.25
Total	**169,899,938,723**	**18,546,188,071**	**188,446,126,794**	**100.00**

(*) American Depository Receipts (ADR) are certificates issued by a U.S. commercial bank to be traded on the US securities markets

As of December 31, 2021, the distribution of shareholders is as follows:

Company name or Shareholder name	Shares	ADRs (*)	Total	% Of equity holding
Santander Chile Holding SA	66,822,519,695	-	**66,822,519,695**	35.46
Teatinos Siglo XXI Inversiones Limitada	59,770,481,573	-	**59,770,481,573**	31.72
The Bank of New York Mellon	-	20,710,338,871	**20,710,338,871**	10.99
Banks on behalf of third parties	17,318,500,798	-	**17,318,500,798**	9.19
Pension funds (AFP) on behalf of third parties	11,949,134,854	-	**11,949,134,854**	6.34
Stockbrokers on behalf of third parties	5,870,596,720	-	**5,870,596,720**	3.12
Other minority holders	6,004,554,283	-	**6,004,554,283**	3.18
Total	**167,735,787,923**	**20,710,338,871**	**188,446,126,794**	**100.00**

(*) American Depository Receipts (ADR) are certificates issued by a U.S. commercial bank to be traded on the US securities markets

NOTE 28 - EQUITY, continued

As of January 1, 2021, the distribution of shareholders is as follows:

Company name or Shareholder name	Shares	ADRs (*)	Total	% Of equity holding
Santander Chile Holding SA	66,822,519,695	-	**66,822,519,695**	35.46
Teatinos Siglo XXI Inversiones Limitada	59,770,481,573	-	**59,770,481,573**	31.72
The Bank of New York Mellon	-	24,822,041,271	**24,822,041,271**	13.17
Banks on behalf of third parties	15,957,137,883	-	**15,957,137,883**	8.47
Pension funds (AFP) on behalf of third parties	9,995,705,956	-	**9,995,705,956**	5.30
Stockbrokers on behalf of third parties	5,551,024,270	-	**5,551,024,270**	2.95
Other minority holders	5,527,216,146	-	**5,527,216,146**	2.93
Total	**163,624,085,523**	**24,822,041,271**	**188,446,126,794**	**100.00**

b. Reserves

At the Ordinary Shareholders' Meeting of Banco Santander-Chile held April 27, 2022, along with the approval of the 2021 Consolidated Financial Statements, the shareholders resolved to distribute 60% of the net profit for the year ("Profit attributable to the equity holders"), which amounted to Ch$464,975 million. These earnings are equivalent to a dividend of Ch$2.46741747 per share. Furthermore, the Board approved that the remaining 40% of the profits will be used to increase the Bank's reserves.

c. Dividends

Details of dividend distribution can be found in the Interim Consolidated Statements of Changes in Equity.

d. As of June 30, 2022, and December 31, 2021, the composition of diluted profit and basic profit was as follows:

	As of June 30,	
	2022 MCh$	2021 MCh$
a) Basic earnings per share		
Profit attributable to equity holders	521,257	370,069
Weighted average number of outstanding shares	188,446,126,794	188,446,126,794
Basic earnings per share (in Ch$)	2.77	1.96
Diluted earnings per share from continuous operations (in Ch$)	2.77	1.96
b) Diluted earnings per share		
Profit attributable to equity holders	521,257	370,069
Weighted average number of outstanding shares	188,446,126,794	188,446,126,794
Assumed conversion of convertible debt	-	-
Adjusted number of shares	188,446,126,794	188,446,126,794
Basic earnings per share (in Ch$)	2.77	1.96
Diluted earnings per share from continuous operations (in Ch$)	2.77	1.96

The Bank does not hold any dilutive instruments as of June 30, 2022, and December 31, 2021.

NOTE 28 - EQUITY, continued

e. Provision for interest payments on bonds with no fixed term to maturity

The Bank records the accrual of interest on maturing non-revolving bonds in the 'Provisions for dividends, interest payments and repricing of regulatory capital financial instruments issued. As of June 30, 2022, and December 31, 2021, the balance is MCh$3,874 and MCh$4,995, respectively.

f. Other comprehensive income from investment instruments and cash flow hedges:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Investment instruments		
Balances as of January 1,	(112,925)	101,719
Gain (loss) on valuation adjustment of Investment Financial Instruments portfolio before taxes.	(23,587)	(237,832)
Reclassifying and adjustment of the portfolio of Financial Investment Instruments	-	-
Net realised profit	438	23,188
Subtotal	(23,149)	(214,644)
Total	(136,074)	(112,925)
Cash flow hedging		
Balances as of January 1,	(373,581)	(136,765)
Gain (loss) on valuation adjustment of cash flow hedges before taxes	(182,436)	(211,122)
Reclassifying and adjustments for cash flow hedges before taxes	(20,325)	(25,694)
Amount reclassified from equity included as the book value of non-financial assets and liabilities. Its acquisition or disposal was hedged as a highly probable transition.	-	-
Subtotal	(202,761)	(236,816)
Total	(576,342)	(373,581)
Other comprehensive income before taxes	(712,416)	(486,506)
Income tax related to other comprehensive income components		
Income tax relating to the portfolio of financial investment instruments	36,741	31,839
Income tax relating to cash flow hedges	155,613	100,867
Total	192,354	132,706
Other comprehensive income, net of tax	(520,062)	(353,800)
Attributable to:		
Equity holders of the Bank	(520,605)	(354,362)
Non-controlling interest	543	562

The Bank expects all results included in other comprehensive income will be reclassified to profit or loss when specific conditions are met.

NOTE 28 - EQUITY, continued

g. Non-controlling interest

This includes the net amount of subsidiaries' equity attributable to equity instruments not owned, directly or indirectly, by the Bank, including the portion of profit or loss attributed to them.

The non-controlling interest's share of equity and results of affiliates is summarised as follows:

As of June 30, 2022	Participation of third parties %	Equity MCh$	Results MCh$	Other comprehensive income: Investments available for sale MCh$	Other comprehensive income: Deferred tax MCh$	Other comprehensive income: Total other comprehensive income MCh$	Comprehensive income MCh$
Subsidiary companies							
Santander Corredora de Seguros Limitada	0.25	188	8	-	-	-	8
Santander Corredores de Bolsa Limitada	49.41	23,622	659	(25)	7	(18)	641
Santander Asesorias Financieras Limitada	0.97	525	12	(1)	-	(1)	11
Santander SA Sociedad Securitizadora	0.36	1	-	-	-	-	-
Klare Corredora de Seguros SA	49.90	946	(687)	-	-	-	(687)
Santander Consumer Finance Limitada	49.00	45,689	6,610	-	-	-	6,610
Subtotal		70,971	6,602	(26)	7	(19)	6,583
Entities controlled through other considerations							
Santander Gestión de Recaudación y Cobranzas Limitada	100.00	5,407	587	-	-	-	587
Bansa Santander SA	100.00	21,743	732	-	-	-	732
Multiplica Spa	100.00	4,172	16	-	-	-	16
Subtotal		31,322	1,335	-	-	-	1,335
Total		102,293	7,937	(26)	7	(19)	7,918

As of December 31, 2021	Participation of third parties %	Equity MCh$	Results MCh$	Other comprehensive income: Investments available for sale MCh$	Other comprehensive income: Deferred tax MCh$	Other comprehensive income: Total other comprehensive income MCh$	Comprehensive income MCh$
Subsidiary companies							
Santander Corredora de Seguros Limitada	0.25	179	5	-	-	-	5
Santander Corredores de Bolsa Limitada	49.41	22,970	717	(238)	65	(173)	544
Santander Asesorias Financieras Limitada	0.97	513	21	(152)	41	(111)	(90)
Santander SA Sociedad Securitizadora	0.36	1	-	-	-	-	-
Klare Corredora de Seguros SA	49.90	1,631	(1,270)	-	-	-	(1,270)
Santander Consumer Finance Limitada	49.00	39,080	9,386	-	-	-	9,386
Subtotal		64,374	8,859	(390)	106	(284)	8,575
Entities controlled through other considerations							
Santander Gestión de Recaudación y Cobranzas Limitada	100.00	4,820	(139)	-	-	-	(139)
Bansa Santander SA	100.00	21,010	1,096	-	-	-	1,096
Multiplica Spa	100.00	4,156	(133)	-	-	-	(133)
Subtotal		29,986	1,102	-	-	-	(1,102)
Total		94,360	9,961	(390)	106	(284)	9,677

NOTE 28 - EQUITY, continued

As of January 1, 2021	Participation of third parties	Equity	Results	Other comprehensive income: Investments available for sale	Other comprehensive income: Deferred tax	Other comprehensive income: Total other comprehensive income	Comprehensive income
	%	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Subsidiary companies							
Santander Corredora de Seguros Limitada	0.25	174	(4)	(4)	1	(3)	(7)
Santander Corredores de Bolsa Limitada	49.41	22,614	351	(38)	9	(29)	322
Santander Asesorías Financieras Limitada	0.97	493	(5)	152	(41)	111	106
Santander SA Sociedad Securitizadora	0.36	2	-	-	-	-	-
Klare Corredora de Seguros SA	49.90	2,902	(880)	-	-	-	(880)
Santander Consumer Finance Limitada	49.00	29,649	5,619	-	-	-	5,619
Subtotal		55,834	5,081	110	(31)	79	5,160
Entities controlled through other considerations							
Santander Gestión de Recaudación y Cobranzas Limitada		4,808	(127)	-	-	-	(127)
Bansa Santander SA	100.00	19,565	349	-	-	-	349
Multiplica Spa	100.00	4,476	(187)	-	-	-	(187)
Subtotal		28,849	35	-	-	-	35
Total		84,683	5,116	110	(31)	79	5,195

The summarised financial information of the companies included in the consolidation that hold non-controlling interests is as follows, which does not include consolidation and equalisation adjustments:

		As of June 30, 2022				As of December 31, 2021				As of January 1, 2021			
		Assets	Liabilities	Capital and reserves	Net income	Assets	Liabilities	Capital and reserves	Net income	Assets	Liabilities	Capital and reserves	Net income
		MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Santander Corredora de Seguros Limitada	Subsidiary	86,521	12,236	71,104	3,181	84,492	13,388	69,129	1,975	79,936	10,777	70,554	(1,396)
Santander Corredores de Bolsa Limitada	Subsidiary	86,384	38,176	46,863	1,345	98,496	51,649	45,396	1,451	94,802	40,008	45,053	711
Santander Asesorías Financieras Limitada	Subsidiary	56,509	2,254	53,016	1,239	54,731	1,683	50,900	2,148	52,070	1,142	51,454	(526)
Santander SA Sociedad Securitizadora	Subsidiary	722	423	347	(48)	810	463	455	(108)	630	175	547	(92)
Klare Corredora de Seguros SA	Subsidiary	2,555	661	3,271	(1,377)	3,952	681	5,816	(2,545)	6,415	599	7,579	(1,763)
Santander Consumer Finance Limitada	Subsidiary	838,035	744,788	79,755	13,492	742,700	662,945	60,588	19,167	693,992	633,177	49,348	11,467
Santander Gestión de Recaudación y Cobranzas Limitada	EPE	7,357	1,950	4,820	587	6,636	1,816	4,681	139	7,789	3,108	4,808	(127)
Bansa Santander SA	EPE	255,152	233,409	21,011	732	103,927	82,917	19,914	1,096	84,496	64,582	19,565	349
Multiplica Spa	EPE	4,460	288	4,156	16	4,409	253	4,289	(133)	4,336	47	4,476	(187)
Total		1,337,695	1,034,185	284,343	19,167	1,100,153	815,795	261,168	23,190	1,024,466	753,645	253,384	8,437

NOTE 29 - CONTINGENCIES AND COMMITMENTS

1. Lawsuits and legal procedures

As of the date of issuance of these Interim Consolidated Financial Statements, several lawsuits have been filed against the Bank and its affiliates in connection with business operations. Accordingly, as of June 30, 2022, the Bank had provisions of MCh$ 3,879 (December 31, 2021: MCh$ 1,395), which are included in the Interim Consolidated Statements of Financial Position under the item 'Provisions for contingencies'.

Banco Santander

To cover the value of legal proceedings in which there are first and second-instance rulings adverse to the interests of Banco Santander or possible alternative outcomes to these. There are several lawsuits for various legal actions in the amount of MCh$3,427. Therefore, our lawyers have not estimated material loss from these lawsuits. It is noteworthy that the values have been estimated based on quantitative information from the first instance judgements adverse to the Bank and qualitative information from the process, including expert opinion from the trial, the recommendation from the defence lawyer(s) and experience based on court judgements in similar cases (jurisprudence) pronounced by different courts.

Santander Corredores de Bolsa Limitada

Lawsuit 'Echeverría vs Santander Corredora' (currently Santander Corredores de Bolsa Ltda.), filed before the 21st Civil Court of Santiago, Role C-21.366-2014, regarding compensation for damages due to failures in the purchase of shares, the amount of the claim is $60 million. As for its current situation as of June 30, 2022, this lawsuit is pending the dismissal of the case and the resolution of the motion for abandonment of proceedings filed by the Brokerage Firm. Lawsuit "Chilena de computación vs Banco Santander and Santander Corredores de Bolsa" filed before the 3rd Civil Court of Santiago, Role C-12325-2020. At the present time, as of June 30, 2022, the lawsuit is in the current discussion stage, the documents requested by the Court have been exhibited, and possible actions by the petitioners are pending.

Santander Corredora de Seguros Limitada

Existing lawsuits amount to UF 7,708, which mainly relate to assets supplied by leasing. Therefore, our lawyers have not estimated any material loss from these lawsuits.

Santander Consumer Finance Limitada

Lawsuit 'Hawas vs Santander Consumer', filed before the 30th Civil Court of Santiago, Case C-890-2019, on August 23, 2021, a waiver and acceptance were presented. Resolution pending.

Lawsuit "Merino vs Santander Consumer", filed before the 27th Civil Court of Santiago, Role C17495-2020. The date set for Mr Francisco Bedos Rodríguez, as legal representative of Santander Consumer Chile SA, to present his case is October 24, 2022, at 09:45 hrs. The decision must be notified at least 5 working days after the hearing.

Lawsuit 'Romero vs Zapata', role C-13347-2020, filed before the 16th Civil Court of Santiago. Proceedings are before the Court of Appeals of Santiago.

Lawsuit 'Hernández vs Santander Consumer', role C-4275-2020, filed before the 20th Civil Court of Santiago. The disclosure of the document was frustrated due to the defendant's default. Therefore, the injunction under Article 277 of the Code of Civil Procedure is enforced.

Lawsuit 'Comercial Luis Enrique Seguel Valdebenito E.I.R.L vs Santander Consumer'. Role C-2136-2021, filed before the 24th Civil Court of Santiago. An action for nullity was brought on the grounds of lack of standing to bring proceedings. The incident is pending resolution.

Lawsuit 'Donoso vs Santander Consumer', filed before the 12th Civil Court of Santiago, Role C-3298-2021. At the conciliation hearing, SCF agreed to the claim and requested that it not be ordered to pay the costs.

Lawsuit 'Rost vs Santander Consumer Chile SA', individualised case role C-3411-2021, filed before the 18th Civil Court of Santiago. Lawsuit for extinctive prescription of the debt. Pending notification of the judgement by writ of summons.

Lawsuit 'Morales vs Santander Consumer Chile SA' role 21309-2018-VSLL, filed before Santiago's 5th Local Police Court.

Lawsuit 'Araya vs Santander Consumer Finance Ltda'. Role C-9277-2021, filed before the 4th Civil Court of Santiago. Legal claim contested by Daniel Amar Zaninetti. Appointment to conciliation hearing 06.04.2022. There was no notice and no hearing.

Lawsuit 'Flores vs Santander Consumer Finance Ltda.' Role C-1109-2021, filed in the 5th Civil Court of Santiago. Pending a hearing of the case.

NOTE 29 - CONTINGENCIES AND COMMITMENTS, continued

Lawsuit 'Santander Consumer Finance Ltda. vs Aubele' Role C-1588-2022, filed before the 19th Civil Court of Santiago. Writ of summons for notification being processed in case E-755-2022 of the 3rd Civil Court of Concepción.

Lawsuit 'Correa vs Santander Consumer Finance Ltda.' Role C-2887-2022, filed before the 29th Civil Court of Santiago. A conciliation hearing is scheduled for July 21, 2022, at 10:40 am.

2. Contingent loans

The Bank entered into various irrevocable commitments and contingent obligations to meet customers' needs. Although these obligations should not be recognised in the Interim Consolidated Statements of Financial Position, they contain credit risk and are part of the Bank's overall risk. The following table shows the contractual amounts that oblige the Bank to grant loans:

	Contingent loans		
	As of June 30,	As of December 31,	As of January 1,
	2022	2021	2021
	MCh$	MCh$	MCh$
Guarantees and sureties	698,286	579,045	441,508
Guarantees and sureties in Chilean currency	475,879	349,903	302,333
Guarantees and sureties in foreign currency	222,407	229,142	139,175
Letters of credit for goods movement transactions	464,524	377,308	247,898
Transactions related to contingent events	1,489,321	1,390,509	1,090,643
Transactions related to contingent events in Chilean currency	1,220,947	1,204,710	999,827
Transactions related to contingent events in foreign currencies	268,374	185,799	90,816
Immediately repayable unrestricted credit lines	9,302,443	9,642,361	8,991,423
Other credit commitments	198,041	200,050	406,234
Credits for higher studies Law No 20,027 (CAE)	2,154	2,640	4,434
Other irrevocable credit commitments	195,887	197,410	401,800
Total	12,152,615	12,189,273	11,177,706

NOTE 29 - CONTINGENCIES AND COMMITMENTS, continued

3. Held securities

The Bank holds securities in the normal course of its business as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$	As of January 1, 2021 MCh$
Third-party operations			
Collections	106,118	109,465	83,392
Transferred financial assets managed by the Bank	8,800	8,278	9,307
Assets from third parties managed by the Bank	1,101,393	1,307,728	1,352,032
Subtotal	**1,216,311**	**1,425,471**	**1,444,731**
Custody of securities			
Securities held in custody by a banking subsidiary deposited in another entity	772,592	-	-
Securities held in custody by the bank	8,030,875	7,022,067	11,022,789
Securities issued by the bank	11,603,588	9,713,122	10,461,847
Subtotal	**20,407,055**	**16,735,189**	**21,484,636**
Total	**21,623,366**	**18,160,660**	**22,929,367**

4. Guarantee

Banco Santander-Chile has a comprehensive bank policy in force with Compañía de Seguros Chilena Consolidada SA, with coverage of US$50,000,000 per claim with an annual cap of US$100,000,000, which covers the Bank and its subsidiaries jointly and severally, with an expiry date of June 30, 2022; this policy has been renewed under the same conditions until June 30, 2023.

Santander Corredores de Bolsa Limitada

As of June 30, 2022, the Company has guarantees deposited with the Santiago Stock Exchange to cover simultaneous operations carried out by the Company's portfolio for a total of MCh$16,240 (MCh$19,354 as of December 31, 2021).

Furthermore, as of June 30, 2022, the Company holds a guarantee with CCLV Contraparte Central SA, amounting to MCh$7,843 in cash (MCh$7,300 as of December 31, 2021).

To ensure the correct and full compliance with all its obligations as a stockbroker, as required by articles 30 et seq. of Law No 18,045 on the Securities Market, the Company has delivered fixed income securities to the Santiago Stock Exchange for a present value of MCh$1,007 as of June 30, 2022 (MCh$ 1,006 as of December 31, 2021). This corresponds to a fixed-term deposit with Banco Santander maturing on August 22, 2022.

As of June 30, 2022, the company has a share loan guarantee of MCh$3,508 (MCh$3,500 as of December 31, 2021).

NOTE 29 - CONTINGENCIES AND COMMITMENTS, continued

As of June 30, 2022, the Company has a guaranteed bond No. B016704, from Banco Santander Chile, to comply with the provisions of general rule No. 120 of the FMC regarding the operation of placement, transfer and redemption agent of Morgan Stanley funds in the amount of USD$ 300,000, which covers participants who acquire quotas of Morgan Stanley Sicav open-end foreign funds and whose maturity date is March 8, 2023.

Santander Corredora de Seguros Limitada

As required by Circular No 1,160 of the FMC (ex-SVS), the company has procured an insurance policy to guarantee correct and full compliance with all obligations arising from its operations as an insurance intermediary.

The insurance policy for insurance brokers No 10050030, which covers UF 500, and the professional liability policy for insurance brokers No 10050031, for an amount equivalent to UF 60,000, were renewed with Compañía de Seguros Generales Consorcio Nacional de Seguros SA. Both policies are valid from 15 April 2022 to 14 April 2023.

The Company has a guaranteed bond with Banco Santander Chile to ensure faithful compliance with the terms and conditions of the public bidding process, the mortgage and mortgage insurance plus ITP 2/3 for Banco Santander Chile's housing mortgages. The total amounts to UF 10,000 and UF 2,000 for each portfolio respectively, both with maturity dates of October 30, 2023.

The company has a guaranteed bond to ensure faithful compliance with the terms of the public bidding process for fire plus earthquake insurance for the bank's housing mortgage portfolio and professional services, amounting to UF 500 and UF 10,000 with the same financial institution, both with maturity dates of December 31, 2022.

Klare Corredora de Seguros SA

As required by Circular No 1,160 of the FMC, the company has procured an insurance policy to guarantee correct and full compliance with all obligations arising from its operations as an insurance intermediary. The insurance brokers' guarantee policy No. 169538, which covers UF 500, was contracted with Compañía HDI Seguros de Garantía y Crédito SA and is valid from April 15, 2022 to April 14, 2023.

NOTE 30 - INTEREST INCOME AND EXPENSES

This comprises interest accrued during the year on all financial assets whose implicit or explicit return is obtained by applying the effective interest rate method, regardless of whether they are measured at fair value and remeasurements due to hedge accounting.

a. As of June 30, 2022, and 2021, the composition of interest income is as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Financial assets at amortised cost				
Rights under repurchase and securities lending agreements	379	73	267	36
Debt financial instruments	30,997	-	15,440	-
Interbank loans	580	-	503	-
Commercial loans	407,713	323,132	219,235	161,330
Mortgage loans	192,279	164,868	99,903	83,174
Consumer loans	288,124	238,781	151,495	117,065
Other financial instruments	18,142	1,631	13,766	1,273
Subtotal	**938,214**	**728,485**	**500,609**	**362,878**
Financial assets at fair value through other comprehensive income				
Debt financial instruments	89,804	37,693	54,093	18,882
Other financial instruments	148,031	-	147,079	-
Subtotal	**237,835**	**37,693**	**201,172**	**18,882**
Results of interest rate risk hedge accounting	**1,483**	**121,794**	**(39,696)**	**63,250**
Total interest income	**1,177,532**	**887,972**	**662,085**	**445,010**

As of June 30, 2022, and 2021, the stock of suspended interest income is as follows:

	As of June 30,	
	2022	2021
	Interests	Interests
Off-balance sheet - interest income	MCh$	MCh$
Commercial loans	9,689	10,339
Mortgage loans	2,087	1,917
Consumer loans	2,343	1,998
Total	**14,119**	**14,254**

NOTE 30 - INTEREST INCOME AND EXPENSES, continued

b. As of June 30, 2022, and 2021, the composition of interest expense is as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Financial liabilities at amortised cost				
Deposits and other demand liabilities	(6,779)	(6,081)	(3,294)	(3,030)
Time deposits and other term equivalents	(259,457)	(22,465)	(168,973)	(11,346)
Obligations under repurchase and securities lending agreements	(3,130)	(91)	(2,278)	(16)
Interbank borrowing	(31,602)	(19,105)	(17,739)	(10,464)
Debt financial instruments issued	(79,183)	(75,400)	(41,363)	(37,028)
Other financial liabilities	(5,279)	(1,449)	(3,777)	(782)
Subtotal	**(385,430)**	**(124,591)**	**(237,424)**	**(62,666)**
Obligations under leasing contracts	**(1,356)**	**(1,143)**	**(693)**	**(563)**
Regulatory capital financial instruments issued	**(32,703)**	**(25,486)**	**(17,370)**	**(12,798)**
Results of interest rate risk hedge accounting	**(404,907)**	**4,160**	**(275,270)**	**6,094**
Total interest expenses	**(824,396)**	**(147,060)**	**(530,757)**	**(69,933)**

NOTE 31 - READJUSTMENT INCOME AND EXPENSE

Includes accrued adjustments for the year for all financial assets whose implicit or explicit return is obtained by applying the effective interest rate method, irrespective of whether they are measured at fair value and product adjustments due to hedge accounting.

a. As of June 30, 2022, and 2021, the composition of readjustment income is as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022 MCh$	2021 MCh$	2022 MCh$	2021 MCh$
Financial assets at amortised cost				
Rights under repurchase and securities lending agreements	-	-	-	-
Debt financial instruments	99,415	-	64,638	-
Interbank loans	-	-	-	-
Commercial loans	428,748	138,797	276,324	67,579
Mortgage loans	925,046	274,263	598,807	136,025
Consumer loans	571	200	365	92
Other financial instruments	4,576	1,672	2,644	870
Subtotal	**1,458,356**	**414,932**	**942,778**	**204,566**
Financial assets at fair value through other comprehensive income				
Debt financial instruments	22,372	37,811	14,603	18,496
Other financial instruments	703	-	309	-
Subtotal	**23,075**	**37,811**	**14,912**	**18,496**
Results of hedge accounting of the UF readjustment risk	(798,488)	(286,551)	(510,042)	(138,965)
Total readjustment income	**682,943**	**166,192**	**447,648**	**84,097**

As of June 30, 2022, and 2021, the stock of suspended readjustment income is as follows:

	For the period of 6 months until June 30,	
	2022	2021
	Readjustments	Readjustments
Off-balance sheet - readjustment income	MCh$	MCh$
Commercial loans	21,234	10,140
Mortgage loans	16,612	7,246
Consumer loans	246	213
Total	**38,092**	**17,599**

b. As of June 30, 2022, and 2021, the composition of the remeasurement expenses, including the results of hedge accounting, is as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022 MCh$	2021 MCh$	2022 MCh$	2021 MCh$
Financial liabilities at amortised cost				
Deposits and other demand liabilities	(6,436)	(1,356)	(4,206)	(684)
Time deposits and other term equivalents	(32,495)	(8,033)	(25,681)	(3,933)
Obligations under repurchase and securities lending agreements	-	-	-	-
Interbank borrowing	-	-	-	-
Debt financial instruments issued	(217,505)	(82,770)	(139,861)	(40,108)
Other financial liabilities	(22,196)	(9,718)	(11,822)	(4,877)
Financial instruments of regulatory capital issued	(87,865)	(24,771)	(57,129)	(12,204)
Lease obligations	-	-	(98,162)	(40,621)
Result of UF, PPI and CPI risk hedge accounting	287,970	77,042	287,970	77,041
Total expense for readjustments	**(78,527)**	**(49,606)**	**(48,891)**	**(25,386)**

NOTE 32 COMMISSION INCOME AND EXPENSES

Comprises the amount of all fees accrued and paid during the year, except those that are an integral part of the effective interest rate of financial instruments:

	For the period of 6 months until June 30,		The quarter ended on June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Income from commissions and services rendered				
Commissions for prepayment of loans	6,784	11,367	2,586	5,601
Commissions for loans with letters of credit	121	162	61	92
Commissions for credit lines and current accounts overdraft	4,117	3,583	2,163	1,725
Commissions for guarantees and letters of credit	17,366	13,675	9,026	6,911
Commissions for card services	139,580	111,711	68,407	53,796
Commissions for account management	24,070	18,602	12,669	9,466
Commissions for collections and payments	26,665	21,949	12,616	15,467
Commissions for brokerage and management of securities	4,873	5,617	2,553	3,124
Commissions for brokerage and insurance advice	24,900	20,792	13,914	10,563
Commissions for factoring services	765	586	362	288
Commissions for securitisations	21	9	11	3
Commissions for financial advice	4,064	7,121	1,347	2,656
Other commissions earned	92,738	53,584	48,220	26,015
Total	**346,064**	**268,758**	**173,935**	**135,707**

NOTE 32 COMMISSION INCOME AND EXPENSES, continued

Comprises the amount of all fees accrued and paid during the year, except those that are an integral part of the effective interest rate of financial instruments:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Expenses for commissions and services rendered				
Commissions for card operation services	(52,118)	(28,683)	(25,249)	(17,725)
Licence fees for the use of card brands	(3,981)	(2,432)	(2,319)	(1,422)
Other commissions for services linked to the credit card system and payment cards with fund provision as a means of payment	(5,817)	(4,670)	(2,909)	(1,587)
Expenses for obligations of customer loyalty and merit programmes for customer cards	(47,128)	(37,781)	(23,738)	(18,079)
Commissions for securities transactions	(3,528)	(3,480)	(1,315)	(2,441)
Other commissions for services received	(41,523)	(28,123)	(23,582)	(13,664)
Total	**(154,095)**	**(105,169)**	**(79,112)**	**(54,918)**

Total net fee and commission income and expenses	**191,969**	**163,589**	**94,823**	**80,789**

NOTE 32 COMMISSION INCOME AND EXPENSES, continued

Income and expenses from commissions generated by the different segments of business and the revenue recognition schedule for ordinary activities are presented below

	Segments					Revenue recognition schedule for ordinary activities		
For the period of 6 months until June 30, 2022	Individuals + SMEs	Middle-market	Global Corporate Banking	Other	Total	Transferred through time	Transferred at a specific time	Accrual model
						Total	Total	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commission income								
Commissions for prepayment of loans	3,153	2,892	4	735	**6,784**	-	6,784	-
Commissions for loans with letters of credit	116	0	0	5	**121**	-	121	-
Commissions for credit lines and current account overdrafts	3,346	(754)	1,520	5	**4,117**	4,117	-	-
Commissions for guarantees and letters of credit	2,511	9,751	4,975	129	**17,366**	17,366	-	-
Commissions for card services	130,166	5,981	3,401	32	**139,580**	61,546	78,034	-
Commissions for account management	22,240	1,428	397	5	**24,070**	24,070	-	-
Commissions for collections and payments	16,707	4,452	3,994	1,512	**26,665**	-	12,608	14,057
Commissions for brokerage and management of securities (Stockbrokers and/or Securities Brokerage Firms)	1,122	119	3,043	589	**4,873**	-	4,873	-
Remuneration for insurance brokerage and advisory services	24,991	1	-	-92	**24,900**	-	24,900	-
Commissions for factoring services	198	336	217	14	**765**	-	765	-
Commissions for securitisations	0	0	21	0	**21**	-	21	-
Commissions for financial advice	7	3,212	1,764	-919	**4,064**	-	4,064	-
Other commissions earned	79,404	11,663	2,905	(1,234)	**92,738**	-	92,738	-
Total	**283,961**	**39,081**	**22,241**	**781**	**346,064**	**107,099**	**224,908**	**14,057**
Commission expenses								
Commissions for card operation services	(47,393)	(3,961)	(660)	(104)	**(52,118)**	-	(52,118)	-
Licence fees for the use of card brands	(3,646)	(279)	(46)	(10)	**(3,981)**	-	(3,981)	-
Other commissions for services linked to the credit card system and payment cards with fund provision as a means of payment	(5,597)	(200)	(20)	-	**(5,817)**	-	(5,817)	-
Expenses for obligations of customer loyalty and merit programmes for customer cards	(46,646)	(481)	(1)	-	**(47,128)**	-	-	(47,128)
Commissions for securities transactions	-	-	(2,319)	(1,209)	**(3,528)**	-	(3,528)	-
Other commissions for services received	(32,901)	(3,969)	(2,931)	(1,722)	**(41,523)**	-	(41,523)	-
Total	**(136,183)**	**(8,890)**	**(5,977)**	**(3,045)**	**(154,095)**	**-**	**(106,967)**	**(47,128)**
Total net fee and commission income and expenses	**147,778**	**30,191**	**16,264**	**(2,264)**	**191,969**	**107,099**	**117,941**	**(33,071)**

NOTE 32 COMMISSION INCOME AND EXPENSES, continued

For the quarter ended June 30, 2022	Segments					Revenue recognition schedule for ordinary activities		
	Individuals + SMEs	Middle-market	Global Corporate Banking	Other	Total	Transferred through time	Transferred at a specific time	Accrual model
						Total	Total	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commission income								
Commissions for prepayment of loans	1,762	631	6	189	**2,588**	-	2,588	-
Commissions for loans with letters of credit	58	-	-	3	**61**	-	61	-
Commissions for credit lines and current account overdrafts	1,725	(541)	977	2	**2,163**	2,163	-	-
Commissions for guarantees and letters of credit	1,302	5,081	2,604	39	**9,026**	9,026	-	-
Commissions for card services	63,324	3,092	1,981	10	**68,407**	34,173	34,234	-
Commissions for account management	11,677	754	233	5	**12,669**	12,669	-	-
Commissions for collections and payments	6,551	2,390	1,979	1,696	**12,616**	-	6,308	6,308
Commissions for brokerage and management of securities (Stockbrokers and/or Securities Brokerage Firms)	542	46	1,673	292	**2,553**	-	2,553	-
Remuneration for insurance brokerage and advisory services	13,963	1	-	(50)	**13,914**	-	13,914	-
Commissions for factoring services	95	151	115	1	**362**	-	362	-
Commissions for securitisations	-	-	11	-	**11**	-	11	-
Commissions for financial advice	2	2,059	288	(1,002)	**1,347**	-	1,347	-
Other commissions earned	42,768	5,466	1,178	(1,194)	**48,218**	-	48,218	-
Total	**143,769**	**19,130**	**11,045**	**(9)**	**173,935**	**58,031**	**109,596**	**6,308**
Commission expenses								
Commissions for card operation services	(22,793)	(2,062)	(358)	(36)	**(25,249)**	-	(25,249)	-
Licence fees for the use of card brands	(2,116)	(164)	(30)	(9)	**(2,319)**	-	(2,319)	-
Other commissions for services linked to the credit card system and payment cards with fund provision as a means of payment	(2,799)	(100)	(10)	-	**(2,909)**	-	(2,909)	-
Expenses for obligations of customer loyalty and merit programmes for customer cards	(23,490)	(248)	-	-	**(23,738)**	-	-	(23,738)
Commissions for securities transactions	-	-	(893)	(422)	**(1,315)**	-	(1,315)	-
Other commissions for services received	(18,678)	(2,200)	(1,495)	(1,209)	**(23,582)**	-	(23,582)	-
Total	**(69,876)**	**(4,774)**	**(2,786)**	**(1,676)**	**(79,112)**	**-**	**(55,374)**	**(23,738)**
Total net fee and commission income and expenses	**73,893**	**14,356**	**8,259**	**(1,685)**	**94,823**	**58,031**	**54,222**	**(17,430)**

NOTE 32 COMMISSION INCOME AND EXPENSES, continued

For the period of 6 months until June 30, 2021	Segments					Revenue recognition schedule for ordinary activities		
	Individuals + SMEs	Middle-market	Global Corporate Banking	Other	Total	Transferred through time	Transferred at a specific time	Accrual model
						Total	Total	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commission income								
Commissions for prepayment of loans	6,722	5,435	508	(1,298)	**11,367**	-	11,367	-
Commissions for loans with letters of credit	176	-	-	(14)	**162**	-	162	-
Commissions for credit lines and current account overdrafts	3,129	333	118	3	**3,583**	3,583	-	-
Commissions for guarantees and letters of credit	2,991	7,313	3,300	71	**13,675**	13,675	-	-
Commissions for card services	107,437	3,664	584	26	**111,711**	47,612	64,099	-
Commissions for account management	16,978	1,234	390	-	**18,602**	18,602	-	-
Commissions for collections and payments	36,666	680	143	(15,540)	**21,949**	-	10,250	11,699
Commissions for brokerage and management of securities (Stockbrokers and/or Securities Brokerage Firms)	2,079	171	2,912	455	**5,617**	-	5,617	-
Remuneration for insurance brokerage and advisory services	20,928	-	-	(136)	**20,792**	-	20,792	-
Commissions for factoring services	139	192	255	-	**586**	-	586	-
Commissions for securitisations	-	-	9	-	**9**	-	9	-
Commissions for financial advice	2	1,260	5,839	20	**7,121**	-	7,121	-
Other commissions earned	39,751	8,124	5,485	224	**53,584**	-	53,584	-
Total	**236,998**	**28,406**	**19,543**	**(16,189)**	**268,758**	**83,472**	**173,587**	**11,699**
Commission expenses								
Commissions for card operation services	(26,422)	(1,369)	(392)	(500)	**(28,683)**	-	(26,683)	-
Licence fees for the use of card brands	(2,381)	(49)	(2)	-	**(2,432)**	-	(2,432)	-
Other commissions for services linked to the credit card system and payment cards with fund provision as a means of payment	(4,652)	(15)	(3)	-	**(4,670)**	-	(4,670)	-
Expenses for obligations of customer loyalty and merit programmes for customer cards	(38,094)	(186)	(1)	500	**(37,781)**	-	-	(37,781)
Commissions for securities transactions	-	-	(2,500)	(980)	**(3,480)**	-	(3,480)	-
Other commissions for services received	(18,754)	(3,615)	(6,190)	436	**(28,123)**	-	(28,123)	-
Total	**(90,303)**	**(5,234)**	**(9,088)**	**(544)**	**(105,169)**	**-**	**(67,388)**	**(37,781)**
Total net fee and commission income and expenses	**146,695**	**23,172**	**10,455**	**(16,733)**	**163,589**	**83,472**	**106,199**	**(26,082)**

NOTE 32 COMMISSION INCOME AND EXPENSES, continued

For the quarter ended June 30, 2021	Segments					Revenue recognition schedule for ordinary activities		
	Individuals + SMEs	Middle-market	Global Corporate Banking	Other	Total	Transferred through time	Transferred at a specific time	Accrual model
						Total	Total	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commission income								
Commissions for prepayment of loans	4,323	1,307	13	(42)	**5,601**	-	5,601	-
Commissions for loans with letters of credit	92	-	-	0	**92**	-	92	-
Commissions for credit lines and current account overdrafts	1,572	109	42	2	**1,725**	1,725	-	-
Commissions for guarantees and letters of credit	1,451	3,812	1,676	(28)	**6,911**	6,911	-	-
Commissions for card services	52,837	1,180	(232)	11	**53,796**	18,654	35,142	-
Commissions for account management	8,714	626	198	(72)	**9,466**	9,466	-	-
Commissions for collections and payments	22,843	354	69	(7,799)	**15,467**	-	7,009	8,458
Commissions for brokerage and management of securities (Stockbrokers and/or Securities Brokerage Firms)	1,121	124	1,595	284	**3,124**	-	3,124	-
Remuneration for insurance brokerage and advisory services	10,563	-	-	-	**10,563**	-	10,563	-
Commissions for factoring services	67	93	128	-	**288**	-	288	-
Commissions for securitisations	-	-	3	-	**3**	-	3	-
Commissions for financial advice	5	183	1,944	524	**2,656**	-	2,656	-
Other commissions earned	18,658	4,172	3,007	178	**26,015**	-	26,015	-
Total	**120,728**	**11,961**	**8,444**	**(5,426)**	**135,707**	**36,756**	**90,493**	**8,458**
Commission expenses								
Commissions for card operation services	(16,910)	(607)	(208)	-	**(17,725)**	-	(17,725)	-
Licence fees for the use of card brands	(1,371)	(49)	(2)	-	**(1,422)**	-	(1,422)	-
Other commissions for services linked to the credit card system and payment cards with fund provision as a means of payment	(1,569)	(15)	(3)	-	**(1,587)**	-	(1,587)	-
Expenses for obligations of customer loyalty and merit programmes for customer cards	(18,392)	(186)	(1)	500	**(18,079)**	-	-	(18,079)
Commissions for securities transactions	-	-	(1,819)	(622)	**(2,441)**	-	(2,441)	-
Other commissions for services received	(9,938)	(1,968)	(3,351)	1,593	**(13,664)**	-	(13,664)	-
Total	**(48,180)**	**(2,825)**	**(5,384)**	**1,471**	**(54,918)**	**-**	**(36,839)**	**(18,079)**
Total net fee and commission income and expenses	**74,066**	**9,135**	**3,059**	**(5,471)**	**80,789**	**36,756**	**53,654**	**(9,621)**

NOTE 33 - NET FINANCIAL INCOME

Includes the amount modified due to financial instruments' changes, except those attributable to interest accrued by applying the effective interest rate method of asset value adjustments and results on the sale and purchase of financial instruments.

As of June 30, 2022, and 2021, the detail of the results from financial operations is as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Results from financial assets held for trading at fair value through profit or loss				
Financial derivatives contracts	(61,783)	5,372	(79,139)	(21,758)
Debt financial instruments	3,143	1,620	2,797	3,266
Other financial instruments	27	37	23	37
Subtotal	**(58,613)**	**7,029**	**(76,319)**	**(18,455)**
Results from financial liabilities held for trading at fair value through profit or loss				
Financial derivatives contracts	-	-	-	-
Other financial instruments	-	-	-	-
Subtotal	-	-	-	-
Financial results from financial assets not held for trading mandatorily measured at fair value through profit or loss				
Debt financial instruments	-	-	-	-
Other	-	-	-	-
Subtotal	-	-	-	-
Financial results from financial assets designated at fair value through profit or loss				
Debt financial instruments	-	-	-	-
Other financial instruments	-	-	-	-
Subtotal	-	-	-	-
Financial results from financial liabilities designated at fair value through profit or loss				
Demand deposits and other demand liabilities, and Time deposits and other term equivalents	-	-	-	-
Issued debt instruments	-	-	-	-
Other	-	-	-	-
Subtotal	-	-	-	-
Financial results on derecognition of financial assets and liabilities at amortised cost and financial assets at fair value through other comprehensive income				
Financial assets at amortised cost	2,116	1,721	1,738	819
Financial assets at fair value through other comprehensive income	438	3,088	(174)	2,784
Financial liabilities at amortised cost	13,559	(2,577)	457	(599)
Financial instruments of regulatory capital issued	-	-	-	
Subtotal	**16,113**	**2,232**	**2,021**	**3,004**
Total	**(42,500)**	**9,261**	**(74,298)**	**(15,451)**

NOTE 33 - NET FINANCIAL INCOME, continued

As of June 30, 2022, and 2021, the detail of the financial results from foreign exchange, readjustments and hedge accounting of foreign currencies are as follows:

	For the period of 6 months until June 30,		For the period of 6 months until June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Financial results from foreign exchange, foreign exchange restatements and hedging of foreign currencies				
Result from foreign exchange	(167,301)	12,257	(657,016)	15,307
Exchange rate readjustment results	10,052	1,466	19,099	(1,726)
Financial assets held for trading at fair value through profit or loss	-	-	-	-
Non-trading financial assets mandatorily measured at fair value through profit or loss	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortised cost	9,037	3,617	18,073	282
Other assets	1,015	(2,151)	1,025	(2,008)
Financial liabilities at amortised cost	-	-	-	-
Financial liabilities held for trading at fair value through profit or loss	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Financial instruments of regulatory capital issued	-	-	-	-
Net result of derivatives in foreign currency risk hedge accounting	299,005	46,306	754,613	41,948
Subtotal	141,756	60,029	116,696	55,529
Financial results from reclassifying financial assets due to changes in business model				
From financial assets at amortised cost to financial assets for trading at fair value through profit or loss	-	-	-	-
From financial assets at fair value through other comprehensive income to financial assets held for trading at fair value through profit or loss	-	-	-	-
Subtotal	-	-	-	-
Other financial results from changes in financial assets and liabilities				
Financial assets at amortised cost	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial liabilities at amortised cost	-	-	-	-
Obligations under leasing contracts	-	-	-	-
Financial instruments of regulatory capital issued	-	-	-	-
Subtotal	-	-	-	-
Other financial results from ineffective hedge accounting	-	-	-	-
Other financial results from other hedge accounting	-	-	-	-
Subtotal	-	-	-	-
Total	141,756	60,029	116,696	55,529

NOTE 34 - INCOME FROM INVESTMENTS IN COMPANIES

The Interim Consolidated Statements of Income present results from investments in partnerships of MCh$4,393 as of June 30, 2022, and MCh$925 as of June 30, 2021, as follows:

For the period of 6 months	Institutions' participation		Investment value	
	As of June 30,		As of June 30,	
	2022	2021	2022	2021
	%	%	MCh$	MCh$
Companies				
Redbanc SA	33.43	33.43	347	-
Transbank SA	25.00	25.00	2,750	-
Centro de Compensación Automatizado SA	33.33	33.33	583	422
Sociedad Interbancaria de Depósito de Valores SA	29.29	29.29	213	156
Cámara de Compensación de Alto Valor SA	15.00	15.00	61	23
Administrador Financiero del Transantiago SA	20.00	20.00	263	165
Servicios de Infraestructura de Mercado OTC SA	12.48	12.48	42	(10)
Subtotal			**4,259**	**756**
Shares or rights in other companies				
Bladex	-	-	-	-
Trading Exchanges	-	-	134	131
Other	-	-	-	38
Subtotal			**134**	**169**
Total			**4,393**	**925**

The quarter ended	Institutions' participation		Result from investments	
	As of June 30,		As of June 30,	
	2022	2021	2022	2021
	%	%	MCh$	MCh$
Companies				
Redbanc SA	33.43	33.43	283	-
Transbank SA	25.00	25.00	1,819	-
Centro de Compensación Automatizado SA	33.33	33.33	395	276
Sociedad Interbancaria de Depósito de Valores SA	29.29	29.29	170	103
Cámara de Compensación de Alto Valor SA	15.00	15.00	44	14
Administrador Financiero del Transantiago SA	20.00	20.00	181	66
Servicios de Infraestructura de Mercado OTC SA	12.48	12.48	12	(6)
Subtotal			**2,904**	**453**
Shares or rights in other companies				
Bladex	-	-	-	-
Trading Exchanges	-	-	134	131
Other	-	-	(5)	38
Subtotal			**129**	**169**
Total			**3,033**	**622**

For more detailed financial information on the companies, see Note 14.

NOTE 35 - NON-CURRENT ASSETS AND DISPOSAL GROUPS NOT QUALIFYING AS DISCONTINUED OPERATIONS

The composition of the result on non-current assets and disposal groups that do not classify as discontinued transactions (assets received in lieu of payment) is as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Net results from assets received in payment or awarded in a judicial auction				
Results from the sale of goods received in payment or awarded in a judicial auction	3,622	3,346	956	21
Other income from assets received in lieu of payment or awarded in a judicial auction	3,125	3,545	2,990	2,242
Provisions for adjustments to the net realisable value of assets received in lieu of payment or awarded in a judicial auction	(123)	782	(83)	934
Charge-offs of assets received in payment or awarded in a judicial auction	(7,676)	(6,254)	(4,259)	(2,306)
Expenses for maintenance of assets received in lieu of payment or awarded in a judicial auction	(1,046)	(754)	(783)	(402)
Non-current assets held for sale and disposal group	145	176	126	106
Total	**(1,953)**	**841**	**(1,053)**	**595**

NOTE 36 - OTHER OPERATING INCOME AND EXPENSES

a. Other operating income consists of the following items:

	For the quarter ended June 30,		For the quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Other operating income				
Compensation from insurance companies for claims other than operational risk events	76	45	31	1
Income from expense recovery	189	78	89	19
Other income	976	617	900	305
Total	**1,241**	**740**	**1,020**	**325**

b. Other operating expenses consist of the following items:

	For the period of 6 months until June 30,		For the quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
OTHER OPERATIONAL EXPENSES				
Expenditure on insurance premiums to cover operational risk events	(23,869)	(19,882)	(10,819)	(10,505)
Provisions for operational risk	(1,114)	(1,970)	(1,063)	(1,176)
Operational risk event expense recoveries	274	1,564	116	1,205
Provisions for lawsuits and litigations	(515)	(265)	(371)	(212)
Expenses from financial leasing credit operations	(1,679)	(2,281)	(929)	(1,675)
Expenses for factoring credit operations	(347)	(184)	(205)	(252)
Other operational expenses	(30,284)	(19,712)	(24,577)	(8,871)
Total	**(57,534)**	**(42,712)**	**(37,848)**	**(21,486)**

NOTE 37 - EMPLOYEE BENEFIT OBLIGATION EXPENSES

Expenses for employee benefits as of June 30, 2022, and 2021 are as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Expenses for short-term employee benefits	177,888	178,965	92,950	91,144
Expenses for long-term employee benefits	8,792	1,357	4,356	1,234
Expenses for termination of employment benefits to employees	17,410	14,867	12,613	9,487
Expenses for defined benefit post-employment plan obligations	666	716	244	358
Other human resources costs	4,041	4,754	1,088	1,566
Total	**208,797**	**200,659**	**111,251**	**103,789**

Share-based compensation (settled in cash)

The Bank provides certain executives of the Bank and its affiliates a share-based payment benefit, which is settled in cash according to the requirements of IFRS 2. Accordingly, the Bank measures services received and liabilities incurred at fair value.

Until settlement of the liability, the Bank determines the liability's fair value at the end of each reporting period and on the settlement date, with any fair value changes recognised in the period results.

Pension plan

The Bank has an additional benefit available to its senior executives, consisting of a pension plan to provide them with funds for a better complementary pension upon retirement.

In this respect, the Bank will complement the voluntary contributions made by beneficiaries for their future pension with an equal contribution. Executives shall earn the right to receive this benefit only if they meet the following copulative conditions:

1. Aimed at the Group's senior management.
2. The general requirement for eligibility is to still be employed when they are 60 years old.
3. The Bank will contract a mixed group insurance policy (life and savings) for each executive, the contracting party and beneficiary being the Group Company to which the executive belongs. Periodic contributions will be made equal to each manager's contribution to their voluntary contribution plan.
4. The Bank will be responsible for granting the benefits directly.

In the event of termination of the employment relationship between the executive and the respective company before meeting the conditions described above, no entitlement shall accrue to them under this benefit plan.

NOTE 37 - EMPLOYEE BENEFIT OBLIGATION EXPENSES, continued

Exceptionally, in the event of the manager's death or total or partial disability, their heirs shall be entitled to receive this benefit as the case may be.

The Bank will contribute to this benefit plan based on mixed group insurance policies, the beneficiary of which is the Bank. The life insurance company with which these policies are contracted is unrelated to the Bank or any other Group company.

The Bank's entitlements under the plan as of June 30, 2022, amount to MCh$7,833 (MCh$7,200 as of December 31, 2021).

The Bank has quantified the amounts of the defined benefit obligations based on the following criteria:

Calculation method:
The projected unit credit method is used, which treats each year of service as generating an additional unit of benefit entitlement and values each unit separately. It is calculated according to the fund contribution that considers as the main parameters the factors related to the legal annual pension ceiling, the years of service, age and annual income of each unit valued individually.

Actuarial assumptions used:
Actuarial assumptions regarding demographic and financial variables are unbiased and mutually compatible with each other. The most significant actuarial assumptions considered in the calculations were:

The assets related to the savings fund that the Bank to the Compañía de Seguros Euroamérica contributed for particular service plans are presented in the net-related commitments. The assumptions used are as follows:

Post-Employment Plans	As of June 30, 2022	As of December 31, 2021
Mortality chart	RV-2014	RV-2014
Termination of contract rate	5.0%	5.0%
Impairment chart	PDT 1985	PDT 1985

The movement in the year for post-employment benefits is as follows:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Assets for defined post-employment benefits	7,833	7,200
Commitments for defined benefit plans		
With active personnel	(7,344)	(6,678)
Caused by inactive personnel	-	-
Minus:		
Unrecognised actuarial (gains) losses	-	-
Balances at the end of the period	**489**	**522**

NOTE 37 - EMPLOYEE BENEFIT OBLIGATION EXPENSES, continued

The annual cash flow for post-employment benefits is as follows:

	As of June 30, 2022 MCh$	As of December 30, 2021 MCh$
Fair value of plan assets		
Balance at the beginning of the year	7,200	8,224
Expected return on insurance contracts	508	640
Employer contributions	553	995
Actuarial (gains) losses	-	-
Premiums paid	-	-
Benefits paid	(428)	(2,659)
Fair value of plan assets at the end of the financial year	7,833	7,200
Present value of obligations		
Present value of the obligations at the beginning of the year	(6,678)	(7,551)
Net incorporation of companies into the Group	-	-
Current period service costs	(666)	873
Reduction/settlement effects	-	-
Benefits paid	-	-
Past service costs	-	-
Actuarial (gains) losses	-	-
Other movements	-	-
Present value of obligations at year-end	(7,344)	(6,678)
Net balance at year-end	489	523

Expected performance of the Plan:

	As of June 30, 2022	As of December 31, 2021
Expected rate of return on plan assets	UF+ 2.50% per year	UF+ 2.50% per year
Expected rate of return on redemption rights	UF+ 2.50% per year	UF+ 2.50% per year

Costs related to the Plan:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Current period service costs	(666)	(873)
Interest cost	-	-
Expected return on plan assets	(508)	(640)
Extraordinary allocations	-	-
Actuarial (gains)/losses recorded in the period	-	-
Past service cost	-	-
Other	-	-
Total	(1,174)	(1,513)

NOTE 38 - ADMINISTRATIVE EXPENSE

As of June 30, 2022, and 2021, the item is composed as follows:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022 MCh$	2021 MCh$	2022 MCh$	2021 MCh$
General administrative expenses				
Expenses for short-term lease agreements	1,870	1,600	1,029	631
Expenses for low-value leases	-	-	-	-
Other expenses for lease obligations	50	17	21	-
Maintenance and repair of property, plant and equipment	11,765	10,530	5,507	5,091
Insurance premiums except to hedge operational risk events	2,539	3,009	1,269	1,556
Office Supplies	2,877	2,264	1,508	1,114
IT and communication expenses	41,237	39,492	20,875	19,684
Lighting, heating, and other utilities	2,159	2,519	780	1,087
Security and valuables transport services	8,098	7,042	3,918	3,370
Representation and personnel travel expenses	1,091	1,338	656	892
Judicial and notarial expenses	371	330	51	102
Fees for review and audit of the financial statements by the external auditor	486	773	351	314
Fees for advisory and consultancy services provided by the external auditor	-	-	-	-
Fees for advisory and consultancy services provided by other audit firms	64	62	26	32
Fees for securities classification	-	-	-	-
Fees for other technical reports	3,291	2,570	1,510	916
Fines applied by the FMC	-	-	-	-
Fines applied by other bodies	-	1	-	-
Other general administrative expenses	8,155	8,053	4,337	3,570
Outsourced services				
Data processing	19,526	17,972	10,244	8,899
Technology development, certification and technology testing service	1,658	1,754	811	970
External human resources management and external staffing service	10	9	5	8
Valuation service	-	-	-	-
Call Centre service for sales, marketing, quality control and customer service	14	-	5	-
External collection service	183	162	93	69
Outsourced ATM management and maintenance services	219	143	105	80
External cleaning service, casino, custody of files and documents, storage of furniture and equipment.	2,189	1,955	1,077	867
Product sales and distribution services	119	182	47	92
External credit appraisal service	2,623	3,405	1,207	1,654
Other outsourced services	11,182	9,006	5,952	3,970
Board expenses				
Remuneration of the Board of Directors	819	750	420	374
Other Board Expenses	2	-	2	-
Marketing expenses	**11,724**	**11,688**	**6,412**	**6,491**
Taxes, contributions, fees	**9,781**	**9,060**	**4,841**	**4,431**
Real estate contributions	1,231	992	621	533
Patents	1,094	1,232	474	471
Other taxes	-	5	-	1
Contribution to the FMC (ex SBIF)	7,456	6,831	3,746	3,426
Other legal charges	-	-	-	-
Total	**144,102**	**135,686**	**73,059**	**66,264**

NOTE 39 - DEPRECIATION AND AMORTISATION

The amounts corresponding to depreciation and amortisation charges to income as of June 30, 2022, and 2021 are detailed below:

	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Depreciation and amortisation				
Amortisation of intangible assets	(19,794)	(14,195)	(10,110)	(8,131)
Depreciation of fixed assets	(23,629)	(24,181)	(11,706)	(12,601)
Depreciation and amortisation of assets for rights to use the leased property	(20,660)	(19,948)	(10,653)	(9,863)
Total Depreciation and Amortisation	**(64,083)**	**(58,324)**	**(32,469)**	**(30,595)**

The reconciliation between the book value and balances as of June 30, 2022, and 2021 is as follows:

	Depreciation and amortisation 2022			
	Fixed assets MCh$	Intangible assets MCh$	Right of use assets MCh$	Total MCh$
Balances as of January 1, 2022	**(357,639)**	**(201,146)**	**(162,228)**	**(721,014)**
Depreciation and amortisation charges for the year	(23,629)	(19,794)	(20,660)	**(64,083)**
Disposals and sales for the year	1,366	-	14,903	**16,269**
Other	-	-	(8)	**(8)**
Balance as of June 30, 2022	**(379,902)**	**(220,941)**	**(167,993)**	**768,836**

	Depreciation and amortisation 2021			
	Fixed assets MCh$	Intangible assets MCh$	Right of use assets MCh$	Total MCh$
Balances as of January 1, 2021	**(310,423)**	**(201,784)**	**(125,041)**	**(637,248)**
Depreciation and amortisation charges for the year	(24,181)	(14,195)	(19,948)	**(58,324)**
Disposals and sales for the year	696	-	1,897	**2,593**
Other	949	(461)	(949)	**(461)**
Balance as of June 30, 2021	**(332,959)**	**(216,440)**	**(144,041)**	**(693,440)**

NOTE 40 - IMPAIRMENT OF NON-FINANCIAL ASSETS

The amounts corresponding to impairment charges to income as of June 30, 2022, and 2021 are detailed below:

	For the period of 6 months until June 30,		The quarter ended on June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Impairment of investments in companies	-	-	-	-
Impairment of intangible assets	-	-	-	-
Impairment of fixed assets	-	-	-	-
Impairment of assets for the right to use leased assets	-	-	-	-
Impairment of other assets for investment properties	-	-	-	-
Impairment of other assets due to income from ordinary activities generated by contracts with customers	-	-	-	-
Acquisition gain through a business combination on highly advantageous terms	-	-	-	-
Total	-	-	-	-

As of June 30, 2022, the Bank has no impairment amounts for non-financial assets.

NOTE 41 - CREDIT LOSS EXPENSE

The movement as of June 30, 2022, and 2021 in credit loss expense is summarised as follows:

a. The breakdown of credit loss expenses as of June 30, 2022, and 2021 is as follows:

Breakdown of loan loss expense for the period	For the period of 6 months until June 30,		By quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Provisions for credit risk on loans and advances to credit institutions	(202,695)	(169,003)	(116,081)	(88,768)
Expenditure on special provisions for credit risk	(4,797)	(44,814)	(1,879)	(20,599)
Recovery of impaired loans	45,246	35,674	27,146	18,738
Impairment for credit risk on other financial assets not measured at fair value through profit or loss	(356)	75	(341)	105
Total	**(163,880)**	**(178,068)**	**(91,155)**	**(90,524)**

NOTE 41 - CREDIT LOSS EXPENSE

b. The flow of expenditure on provisions set for credit risk and expense for credit loss on loans as of June 30, 2022, and 2021 is as follows:

Breakdown of expenditure on provisions set for credit risk and credit loss for the period - for the 6 months period ended June 30, 2022	Loan provisions expenses in the period							
	Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees	Total
(MCh$)	Individual	Group	Individual	Individual	Group			
Interbank loans								
Provision establishment	(87)	-	-	-	-	**(87)**	-	**(87)**
Provision release	85	-	-	-	-	**85**	-	**85**
Subtotal	**(2)**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Commercial loans								
Provision establishment	(16,673)	(5,297)	(6,020)	(33,229)	(67,131)	**(128,350)**	-	**(128,350)**
Provision release	5,019	2,820	8,451	7,458	5,091	**28,839**	5,873	**34,712**
Subtotal	**(11,654)**	**(2,477)**	**2,431**	**(25,771)**	**(62,040)**	**(99,511)**	**5,873**	**(93,638)**
Mortgage loans								
Provision establishment	-	(4,313)	-	-	(40,986)	**(45,299)**	-	**(45,299)**
Provision release	-	4	-	-	3,263	**3,267**	-	**3,267**
Subtotal	**-**	**(4,309)**	**-**	**-**	**(37,723)**	**(42,032)**	**-**	**(42,032)**
Consumer loans								
Provision establishment	-	(24,569)	-	-	(76,055)	**(100,624)**	-	**(100,624)**
Provision release	-	19,984	-	-	13,618	**,33602**	-	**,33602**
Subtotal	**-**	**(4,585)**	**-**	**-**	**(62,437)**	**(67,022)**	**-**	**(67,022)**
Provisions for credit risk on loans and advances to credit institutions	**(11,656)**	**(11,371)**	**2,431**	**(25,771)**	**(162,200)**	**(208,567)**	**5,873**	**(202,695)**
Recovery of written-off loans:								
Interbank loans								**-**
Commercial loans								**24,050**
Mortgage loans								**9,374**
Consumer loans								**11,822**
Subtotal								**45,246**

NOTE 41 - CREDIT LOSS EXPENSE, continued

Breakdown of expenditure on provisions set for credit risk and credit loss for the period - for the quarter ended June 30, 2022	Loan provisions expenses in the period: Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees	Total
(MCh$)	Individual	Group	Individual	Individual	Group			
Interbank loans								
Provision establishment	(84)	-	-	-	-	(84)	-	(84)
Provision release	82	-	-	-	-	82	-	82
Subtotal	(2)	-	-	-	-	(2)	-	(2)
Commercial loans								
Provision establishment	(12,246)	(2,084)	(4,585)	(22,890)	(26,991)	(68,796)	-	(68,796)
Provision release	2,748	2,342	4,337	173	2,876	12,476	3,217	15,693
Subtotal	(9,498)	258	(248)	(22,717)	(24,115)	(56,320)	3,217	(53,103)
Mortgage loans								
Provision establishment	-	(2,567)	-	-	(9,159)	(11,726)	-	(11,726)
Provision release	-	-	-	-	2,353	2,353	-	2,353
Subtotal	-	(2,567)	-	-	(6,806)	(9,373)	-	(9,373)
Consumer loans								
Provision establishment	-	(11,128)	-	-	(43,131)	(54,259)	-	(54,259)
Provision release	-	164	-	-	492	656	-	656
Subtotal	-	(10,964)	-	-	(42,639)	(53,603)	-	(53,603)
Provisions for credit risk on loans and advances to credit institutions	(9,500)	(13,273)	(248)	(22,717)	(73,560)	(119,298)	3,217	(116,081)
Recovery of written-off loans:								
Interbank loans								-
Commercial loans								15,999
Mortgage loans								5,074
Consumer loans								6,073
Subtotal								27,146

NOTE 41 - CREDIT LOSS EXPENSE, continued

Breakdown of expenditure on provisions set for credit risk and credit loss for the period - for the 6 months period ended June 30, 2021 (MCh$)	Loan provisions expenses in the period — Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees	Total
	Individual	Group	Individual	Individual	Group			
Interbank loans								
Provision establishment	(13)	-	-	-	-	(13)	-	(13)
Provision release	16	-	-	-	-	16	-	16
Subtotal	(3)	-	-	-	-	(3)	-	(3)
Commercial loans								
Provision establishment	(2,597)	(5,651)	(10,261)	(24,119)	(95,103)	(137,731)	(6,017)	(143,748)
Provision release	8,844	3,849	6,812	14,502	22,040	56,047	-	56,047
Subtotal	6,247	(1,802)	(3,449)	(9,617)	(73,063)	(81,684)	(6,017)	(87,701)
Mortgage loans								
Provision establishment	-	(343)	-	-	(26,199)	(26,542)	-	(26,542)
Provision release	-	6,723	-	-	334	7,057	-	7,057
Subtotal	-	6,380	-	-	(25,865)	(19,485)	-	(19,485)
Consumer loans								
Provision establishment	-	(23,676)	-	-	(70,008)	(93,684)	-	(93,684)
Provision release	-	6,464	-	-	25,403	31,867	-	31,867
Subtotal	-	(17,212)	-	-	(44,605)	(61,817)	-	(61,817)
Provisions for credit risk on loans and advances to credit institutions	6,250	(12,634)	(3,449)	(9,617)	(145,469)	(164,919)	(6,017)	(169,003)
Recovery of written-off loans:								
Interbank loans								-
Commercial loans								12,037
Mortgage loans								5,117
Consumer loans								18,519
Subtotal								35,673

NOTE 41 - CREDIT LOSS EXPENSE, continued

Breakdown of expenditure on provisions set for credit risk and credit loss for the period - for the quarter ended June 30, 2021	Loan provisions expenses in the period: Normal portfolio Evaluation		Substandard Portfolio Evaluation	Non-performing portfolio Evaluation		Subtotal	Deductible FOGAPE Covid-19 guarantees	Total
(MMS)	Individual	Group	Individual	Individual	Group			
Interbank loans								
Provision establishment	(4)	-	-	-	-	(4)	-	(4)
Provision release	7	-	-	-	-	7	-	7
Subtotal	3	-	-	-	-	3	-	3
Commercial loans								
Provision establishment	(1,499)	(3,378)	(4,058)	(10,161)	(48,356)	(67,452)	(3,930)	(71,382)
Provision release	3,562	2,860	6,283	10,050	11,565	34,320	-	34,320
Subtotal	2,063	(518)	2,225	(111)	(36,791)	(33,132)	(3,930)	(37,062)
Mortgage loans								
Provision establishment	-	(152)	-	-	(16,408)	(16,560)	-	(16,560)
Provision release	-	6,549	-	-	334	6,883	-	6,883
Subtotal	-	6,397	-	-	(16,074)	(9,677)	-	(9,677)
Consumer loans								
Provision establishment	-	(19,108)	-	-	(37,343)	(56,451)	-	(56,451)
Provision release	-	6,215	-	-	8,521	14,736	-	14,736
Subtotal	-	(12,893)	-	-	(28,822)	(41,715)	-	(41,715)
Provisions for credit risk on loans and advances to credit institutions	2,066	(7,014)	2,225	(111)	(81,687)	(84,521)	(3,930)	(88,451)
Recovery of written-off loans:								
Interbank loans								-
Commercial loans								6,482
Mortgage loans								2,910
Consumer loans								9,345
Subtotal								18,737

NOTE 41 - CREDIT LOSS EXPENSE, continued

The balances of Special Provisions for Credit Risk Expenses as of June 30, 2022, and 2021 are as follows:

Breakdown of special provisions for credit risk expense for the period	For the period of 6 months until June 30,		The quarter ended June 30,	
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Provision expense for contingent credits				
Interbank loans	-	-	-	-
Commercial loans	(4,823)	(2,781)	(1,737)	(2,535)
Consumer loans	(135)	(56)	(148)	(89)
Expense of provision expenditure for local risk for operations with debtors domiciled abroad	161	24	6	26
Expense of special provisions for loans abroad	-	-	-	-
Expense of additional provisions for loans				
Commercial loans	-	(42,000)	-	(18,000)
Mortgage loans	-	-	-	-
Consumer loans	-	-	-	-
Expense of provision for adjustments to the minimum required provision for the normal portfolio with individual evaluation	-	-	-	-
Expense of provisions established for credit risk as a result of additional prudential requirements	-	-	-	-
Total	**(4,797)**	**(44,814)**	**(1,879)**	**(20,599)**

NOTE 42 - RESULTS FROM DISCONTINUED OPERATIONS

The Bank currently has no results from discontinued operations.

NOTE 43 - RELATED PARTY DISCLOSURES

It is considered 'related parties' to the Bank as well as subsidiaries and associates, the 'key personnel' of the Bank's management (members of the Bank's Board of Directors and also the managers of Banco Santander-Chile and its affiliates, together with their close relatives), as well as entities over which the key personnel may exercise significant influence or control.

Furthermore, the Bank considers the various companies comprising Santander Group worldwide to be related parties, on the understanding that they all have a common parent company, which is Banco Santander SA (based in Spain).

Article 89 of the Chilean Corporation Law, which also applies to banks, provides that any transaction with a related party must be carried out on fair terms and conditions similar to those normally prevailing in the market.

Furthermore, Article 84 of the General Banking Law limits credits granted to related parties and prohibits granting credits to the Bank's directors, general manager, or general representatives.

The Bank's transactions with its related parties are listed below. For ease of understanding, we have divided the information into four categories:

Santander Group companies

This category includes those entities over which the Bank, as indicated in Note 01 (b) of these Consolidated Financial Statements, exercises some degree of influence and, in general, corresponds to the so-called 'business support companies'.

Associated companies

This category includes those entities over which the Bank, as indicated in Note 01 (b) of these Consolidated Financial Statements, exercises some degree of influence and, in general, corresponds to the so-called 'business support companies'.

Key personnel

This category includes the members of the Bank's Board of Directors and Directors of Banco Santander-Chile and its affiliates, together with their close relatives.

Other

This category includes those related parties not included in the groups described above and which, in general, correspond to those entities over which key personnel can exercise significant influence or control.

The terms for transactions with related parties are equivalent to those of transactions made under market conditions or to which the corresponding considerations in kind have been attributed.

NOTE 43 - RELATED PARTY DISCLOSURES, continued

1. Loans to related parties

Credits and receivables, as well as contingent credits corresponding to related entities, are shown below:

The movement in related party loans during the financial years 2022 and 2021 has been as follows:

	As of June 30, 2022				As of December 31, 2021			
	Group companies MCh$	Associated companies MCh$	Key personnel MCh$	Other MCh$	Group companies MCh$	Associated companies MCh$	Key personnel MCh$	Other MCh$
Loans and receivables:								
Commercial loans	630,554	187	2,901	171	592,992	192	2,611	219
Mortgage loans	-	-	26,588	-	-	-	20,716	-
Consumer loans	-	-	6,068	-	-	-	6,562	-
Loans and receivables	**630,554**	**187**	**35,557**	**171**	**592,992**	**192**	**29,889**	**219**
Provision for loan losses	(2,025)	(9)	(454)	(5)	(2,586)	(30)	(138)	(6)
Net loans	**628,529**	**178**	**35,103**	**166**	**590,406**	**162**	**29,751**	**213**
Guarantee	1,031	-	31,590	110	2,039	-	25,545	117
Contingent loans:								
Guarantees and sureties	-	-	-	-	-	-	-	-
Letters of credit	30,447	-	-	-	13,848	-	-	-
Transactions with contingent events	2,410	-	-	-	538	-	-	-
Contingent loans	**32,587**	-	-	-	**14,386**	-	-	-
Provisions for contingent credits	(41)	-	-	-	(32)	-	-	-
Net contingent loans	**32,816**	-	-	-	**14,354**	-	-	-

	As of June 30, 2022				As of December 31, 2021			
	Group companies (*) MCh$	Associate companies MCh$	Key personnel MCh$	Other MCh$	Group companies (*) MCh$	Associate companies MCh$	Key personnel MCh$	Other MCh$
Balance as of January 1,	**607,378**	**192**	**29,889**	**219**	**356,848**	**265**	**32,498**	**993**
Loans granted	86,657	29	11,575	1	373,006	-	5,738	53
Loans paid	(30,624)	(34)	(5,907)	(49)	(122,476)	(73)	(8,347)	(827)
Total	**663,141**	**187**	**35,557**	**171**	**607,378**	**192**	**29,889**	**219**

(*) As of June 30, 2022, and December 31, 2021, loans corresponding to group companies outside the scope of consolidation amounted to MCh$35,561 and MCh$1,174, respectively.

NOTE 43 - RELATED PARTY DISCLOSURES, continued

2. The assets and liabilities for related party transactions as of June 30, 2022, and December 31, 2021, are as follows:

Assets and liabilities from transactions with related parties

Types of assets and liabilities held with related parties As of June 30, 2022 (MCh$)	Type of related party			
	Group companies	Associated companies	Key personnel	Other
ASSETS				
Cash and deposits in banks	16,837	-	-	-
Financial assets held for trading at fair value through profit or loss				
Financial derivatives contracts	1,385,776	314,235	-	-
Other assets	1,076,334	199,677		
LIABILITIES				
Financial liabilities held for trading at fair value through profit or loss				
Financial derivatives contracts	2,541,656	186,939	-	-
Financial liabilities at amortised cost				
Deposits and other demand liabilities	181,986	10,350	4,280	128,120
Time deposits and other term equivalents	350,667	-	6,984	27,094
Obligations under repurchase and securities lending agreements	30,716	-	1,652	32,368
Interbank borrowing	230,530	-	-	-
Debt and regulatory capital financial instruments issued	639,996	-	-	-
Other liabilities	150,162	292,147	-	-

Types of assets and liabilities held with related parties As of December 31, 2021 (MCh$)	Type of related party			
	Group companies	Associated companies	Key personnel	Other
ASSETS				
Cash and deposits in banks	1,069,468	-	-	-
Financial assets held for trading at fair value through profit or loss				
Financial derivatives contracts	1,164,660	298,997	-	-
Other assets	1,042,852	290,507	-	-
LIABILITIES				
Financial liabilities held for trading at fair value through profit or loss				
Financial derivatives contracts	2,083,795	224,247	-	-
Financial liabilities at amortised cost				
Deposits and other demand liabilities	16,190	2,486	4,760	1,003
Time deposits and other term equivalents	900,830	1,677	3,066	948
Obligations under repurchase and securities lending agreements	57,771	-	181	5,807
Interbank borrowing	891,014	-	-	-
Debt and regulatory capital financial instruments issued	1,176,709	-	-	-
Other liabilities	16,259	233,630	-	-

NOTE 43 - RELATED PARTY DISCLOSURES, continued

3. Income and expenses from related party transactions

Type of income and expenses from related party transactions as of June 30, 2022 (MCh$)	Group companies	Associated companies	Key personnel	Other
Interest and adjustment income and expenses	(31,042)	321	2,035	(2,093)
Commission and service income and expenses	73,801	45,898	-	-
Net income from financial operations and foreign exchange results (*)	87,171	71,949	-	-
Other operating income and expenses	251	(13,473)	-	-
Remuneration and expenses of key personnel	-	-	(21,769)	-
Administrative and other expenses	(38,792)	(44,079)	-	-

(*) Primarily relates to derivative contracts that financially cover the exchange risk of assets and liabilities that economically hedge the Bank's and its subsidiaries' positions.

Type of income and expenses from related party transactions as of June 30, 2021 (MCh$)	Group companies	Associated companies	Key personnel	Other
Interest and adjustment income and expenses	(6,896)	35	790	14
Commission and service income and expenses	9,903	10,400	100	12
Net income from financial operations and foreign exchange results (*)	(125,918)	10,836	-	-
Other operating income and expenses	252	(404)	-	-
Remuneration and expenses of key personnel	-	-	(22,890)	-
Administrative and other expenses	(25,797)	(27,251)	-	-

(*) Primarily relates to derivative contracts that financially cover the exchange risk of assets and liabilities that economically hedge the Bank's and its subsidiaries' positions.

NOTE 43 - RELATED PARTY DISCLOSURES, continued

4. Individual transactions in the period with related parties that are legal entities that do not correspond to normal business transactions with customers in general and where such individual transactions involve a transfer of resources, services or obligations of more than UF 2,000, per paragraph 9 of IAS 24.

As of June 30, 2022			Description of the transaction			Transactions on matching terms to those transactions with mutual independence between the parties.	Effect on the income statement		Effect on the statement of position	
Company name	Country of residence	Nature of the relationship with the Bank	Type of service	Term	Renewal conditions		Revenues MCh$	Expenditure MCh$	Receivables MCh$	Payables MCh$
Banco Santander, SA	Spain	Group	Consulting Services	Monthly	Under contract	Yes	-	7,717	-	7,717
Santander Back-Offices Globales Mayoristas, SA	Spain	Group	BackOffice services	Monthly	Under contract	Yes	-	1,469	-	-
Santander Chile Holding SA	Chile	Group	Leases	Monthly	Under contract	Yes	113	-	1	-
Santander Factoring SA	Chile	Group	Leases, Custody and Portal	Monthly	Under contract	Yes	19	205	19	41
Gesban Santander Servicios Profesionales Contables Limitada	Chile	Group	Accounting Services	Monthly	Under contract	Yes	29	492	-	489
Santander Gestión de Recaudación y Cobranzas, Ltda.	Chile	Group	Rentals and Collection Services	Monthly	Under contract	Yes	197	1,947	-	13
Santander Global Facilities, SL	Spain	Group	Consulting services	Monthly	Under contract	Yes	-	115	-	-
Santander Investment Chile Limitada	Chile	Group	Leases	Monthly	Under contract	Yes	-	2,089	-	23
Santander Global Technology and Operations Chile Limitada	Chile	Group	IT Services	Monthly	Under contract	Yes	-	129	-	129
Universia Chile, SA	Chile	Group	Institutional Services	Monthly	Under contract	Yes	-	206	-	-
Aquanima Chile SA	Chile	Group	Procurement Services	Monthly	Under contract	Yes	-	969	-	-
Zurich Santander Seguros de Vida Chile SA	Chile	Group	Channel Usage Services	Monthly	Under contract	Yes	-	-	-	-
Santander Asset Management SA Administradora General de Fondos	Chile	Group	Leases and Other	Monthly	Under contract	Yes	-	264	-	35
Zurich Santander Seguros Generales Chile SA	Chile	Group	Channel Usage Services	Monthly	Under contract	Yes	90	-	90	-
Santander Consumer Finance Limitada	Chile	Group	Advisory and Other Services	Monthly	Under contract	Yes	341	-	105	-
Santander Global Technology and Operations, SL Unipersonal	Spain	Group	IT Services	Monthly	Under contract	Yes	-	24,631	-	-
Klare Corredora de Seguros SA	Chile	Group	Leases	Monthly	Under contract	Yes	31	-	31	-
Mercury Trade Finance Solutions, SpA	Chile	Group	IT Services	Monthly	Under contract	Yes	-	86	-	-
Sociedad Operadora de Tarjetas de Pago Santander Getnet Chile SA	Chile	Group	Leases	Monthly	Under contract	Yes	226	-	-	-

NOTE 43 - RELATED PARTY DISCLOSURES, continued

As of December 31, 2022			Description of the transaction			Transactions on matching terms to those transactions with mutual independence between the parties.	Effect on the income statement		Effect on the statement of position	
Company name	Country of residence	Nature of the relationship with the Bank	Type of service	Term	Renewal conditions		Revenues MCh$	Expenditure MCh$	Receivables MCh$	Payables MCh$
Banco Santander, SA	Spain	Group	Consulting Services	Monthly	Under contract	Yes	-	12,710	-	10,329
Santander Back-Offices Globales Mayoristas, SA	Spain	Group	BackOffice services	Monthly	Under contract	Yes	-	2,005	-	-
Santander Chile Holding SA	Chile	Group	Leases	Monthly	Under contract	Yes	211	-	-	-
Santander Factoring SA	Chile	Group	Leases, Custody and Portal	Monthly	Under contract	Yes	35	428	35	42
Gesban Santander Servicios Profesionales Contables Limitada	Chile	Group	Accounting Services	Monthly	Under contract	Yes	54	917	-	79
Santander Gestión de Recaudación y Cobranzas, Ltda.	Chile	Group	Rentals and Collection Services	Monthly	Under contract	Yes	369	6,221	-	175
Santander Investment Chile Limitada	Chile	Group	Leases	Monthly	Under contract	Yes	-	3,910	-	60
Santander Global Technology and Operations Chile Limitada	Chile	Group	IT Services	Monthly	Under contract	Yes	-	231	-	-
Universia Chile, SA	Chile	Group	Institutional Services	Monthly	Under contract	Yes	-	274	-	65
Aquanima Chile SA	Chile	Group	Procurement Services	Monthly	Under contract	Yes	-	1,940	-	-
Santander Asset Management SA Administradora General de Fondos	Chile	Group	Leases and Other	Monthly	Under contract	Yes	-	495	-	65
Zurich Santander Seguros Generales Chile SA	Chile	Associated	Channel Usage Services	Monthly	Under contract	Yes	188	-	188	-
Santander Consumer Finance Limitada	Chile	Group	Advisory and Other Services	Monthly	Under contract	Yes	911	-	71	-
Santander Global Technology and Operations, SL Unipersonal	Spain	Group	IT services and Ops.	Monthly	Under contract	Yes	-	41,683	-	-
Mercury Trade Finance Solutions, SpA	Chile	Group	IT Services	Monthly	Under contract	Yes	-	343	-	-
Sociedad Operadora de Tarjetas de Pago Santander Getnet Chile SA	Chile	Group	Leases	Monthly	Under contract	Yes	443	-	-	-

NOTE 43 - RELATED PARTY DISCLOSURES, continued

Payments to the Board of Directors and key management personnel of the Bank and its subsidiaries.

The remuneration received by key management personnel, including the members of the Bank's Board of Directors and Banco Santander-Chile's executives, are presented under the item 'Remuneration and personnel expenses' and/or 'Administrative expenses' in the Interim Consolidated Income Statements and corresponds to the following categories:

	As of June 30,	
	2022 MCh$	2021 MCh$
Remuneration of personnel	9,874	9,794
Remuneration of the Board of Directors	819	750
Bonuses or gratuities	9,812	10,407
Stock-based compensation	(4)	(21)
Training costs	173	59
Seniority compensation	49	512
Health funds	374	173
Pension plans	6	717
Other personnel costs funds	666	499
Total	**21,769**	**22,890**

NOTE 43 - RELATED PARTY DISCLOSURES, continued

Composition of the Board of Directors and key management personnel of the Bank and its subsidiaries.

Composition of the Board of Directors and Key Management Personnel of the Bank and its subsidiaries	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Directors	11	11
Managers	122	131
Total	**133**	**142**

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or the most advantageous market for the asset or liability.

For those financial instruments for which market prices are not available, fair values have been estimated using recent transactions in similar instruments or, if absent, current values or other valuation techniques based on mathematical valuation models sufficiently validated by the international financial community. In using these models, the specific features of the asset or liability to be valued and, in particular, the different types of risks related to the asset or liability are considered.

These techniques are inherently subjective and significantly affect the assumptions used, including the discount rate, estimates of future cash flows and prepayment assumptions. Therefore, the fair value of an asset or liability may not coincide exactly with the price at which the asset or liability could be delivered or settled on its valuation date and may not be justified by comparison with independent markets.

Determining the fair value of financial instruments

The following is a comparison between the book value of the Bank's financial assets and liabilities and their corresponding fair values as of June 30, 2022, and December 31, 2021:

	As of June 30, 2022		As of December 31, 2021		As of January 1, 2021	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets						
Financial assets held for trading at fair value through profit or loss	**14,579,153**	**14,579,153**	**9,567,818**	**9,567,818**	**8,798,538**	**8,798,538**
Financial derivatives contracts	14,495,254	14,495,254	9,494,471	9,494,471	8,664,820	8,664,820
Debt financial instruments	83,899	83,899	73,347	73,347	133,718	133,718
Financial assets at fair value through other comprehensive income	**6,020,627**	**6,020,627**	**5,900,796**	**5,900,796**	**7,229,639**	**7,229,639**
Debt financial instruments	5,945,398	5,945,398	5,801,378	5,801,378	7,160,325	7,160,325
Other financial instruments	75,229	75,229	99,418	99,418	69,314	69,314
Financial derivative contracts for hedge accounting	**894,425**	**894,425**	**629,136**	**629,136**	**367,265**	**367,265**
Debt financial instruments at amortised cost	**41,722,123**	**42,608,660**	**40,262,257**	**40,004,208**	**33,364,443**	**36,990,699**
Debt financial instruments	4,581,663	4,126,667	4,691,730	4,249,697	-	-
Interbank loans and receivables from customers	37,140,460	38,481,993	35,570,527	35,754,511	33,364,443	36,990,699
Guarantees provided for derivative financial transactions	**2,371,894**	**2,371,894**	**1,988,410**	**1,988,410**	**596,555**	**596,555**

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

	As of June 30, 2022		As of December 31, 2021		As of January 1, 2021	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Liabilities						
Financial liabilities held for trading at fair value through profit or loss	**14,222,893**	**14,222,893**	**9,507,031**	**9,507,031**	**8,569,523**	**8,569,523**
Financial derivatives contracts	14,222,893	14,222,893	9,507,031	9,507,031	8,569,523	8,569,523
Financial derivative contracts for hedge accounting	2,382,889	2,382,889	**1,364,210**	**1,364,210**	**449,137**	**449,137**
Financial liabilities at amortised cost	**46,475,210**	**45,479,051**	**45,438,543**	**45,154,046**	**39,859,778**	**41,637,904**
Deposits and other demand liabilities	15,725,629	15,725,629	17,900,938	17,688,878	14,560,893	14,827,366
Time deposits and other term equivalents	11,893,299	12,106,875	10,131,055	10,011,039	10,581,791	10,775,444
Interbank borrowing	9,243,716	8,624,159	8,826,583	8,722,020	6,328,599	6,444,416
Debt and regulatory capital financial instruments issued	9,311,347	8,811,058	8,397,060	8,545,959	8,204,177	9,379,945
Other financial liabilities	301,219	211,330	182,907	186,150	184,318	210,733
Guarantees received for financial derivative transactions	1,208,861	1,208,861	857,679	857,679	624,205	624,205

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

The fair value approximates the book value of the following items, due to their short-term nature, for the following cases: cash and bank deposits, cash items in the process of collection and securities lending and repurchase agreements.

Furthermore, the fair value estimates presented above are not intended to estimate the value of the Bank's profits generated by its business or future activities. They, therefore, do not represent the value of the Bank as a going concern. The methods used to estimate the fair value of financial instruments are detailed below.

a. Debt financial instruments

The estimated fair value of these financial instruments was established using market values or estimates from an available dealer or quoted market prices of similar financial instruments. Investments are valued at carrying value (recorded) as they are not considered to have a fair value significantly different from their historical one. To estimate the fair value of debt investments, the variables and additional elements (where applicable) were considered, including the estimated prepayment rates and the credit risk of the issuers.

b. Interbank loans and receivables from customers

The fair value of commercial loans, mortgage loans, credit cards and consumer loans are measured using discounted cash flow analysis. For this purpose, prevailing market interest rates are used regarding the product, term, amount and similar credit quality. The fair value of loans overdue by 90 days or more is measured using the market value of the associated collateral, discounted at the expected realisation rate and term. The estimated fair value is based on the book value for variable rate loans whose interest rates frequently change (monthly or quarterly) and are not subject to any significant change in credit risk.

c. Deposits and other demand obligations

The disclosed fair value of non-interest bearing deposits and savings accounts is the amount payable at the reporting date and equal to the book value. The fair value of time deposits is calculated using the discounted cash flow method, which applies current interest rates currently offered to a schedule of monthly maturities expected in the market.

d. Short and long-term issued debt instruments

The fair value of these financial instruments is calculated using a discounted cash flow analysis based on the current incremental lending rates for similar loan types with similar maturities.

e. Financial derivatives and hedge accounting contracts

The estimated fair value of foreign exchange forward contracts was calculated using quoted market prices for financial instruments with similar characteristics.

The fair value of interest rate swaps represents the estimated amount that the Bank determines as the exit price under IFRS 13. If there are no quoted market prices (direct or indirect) for any derivative instruments, the respective fair value estimates are calculated using valuation models and techniques such as Black-Scholes, Hull and Monte Carlo simulations and considering relevant inputs such as option volatility, observable correlations between underlying values, counterparty credit risk, implied price volatility, the speed with which volatility reverts to its mean value and the linear relationship (correlation) between the value of a variable.

Fair value measurement and hierarchy

IFRS 13 'Fair Value Measurement' establishes a fair value hierarchy, which segregates the valuation technique's inputs and/or assumptions used to measure the fair value of financial instruments. The hierarchy prioritises unadjusted quoted prices in active markets for identical assets or liabilities (level 1), and the lowest priority is given to measures involving significant unobservable inputs or inputs (level 3 measures). The three levels of the fair value hierarchy are as follows:

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

- Level 1: inputs are quoted (unadjusted) prices in active markets for identical assets and liabilities that the Bank can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1, which can be observed directly or indirectly for assets or liabilities.
- Level 3: unobservable input data for the asset or liability.

The estimated fair value of foreign exchange forward contracts was calculated using quoted market prices for financial instruments with similar characteristics.

The fair value of interest rate swaps represents the estimated amount the Bank expects to receive or pay to terminate the contracts or agreements, considering the term structures of the interest rate curve, volatility of the underlying and the credit risk of the counterparties.

In cases in which quotes cannot be observed, management makes its best estimate of the price that the market would set using its internal models, which in most cases use data based on observable market parameters as significant inputs (Level 2) and, in limited cases, use significant inputs that are not observable in market data (Level 3). Various techniques are used to estimate it, including extrapolating observable market data.

Financial instruments at fair value and determined by published quotations in active markets (Level 1) comprise:

- Chilean Government and Treasury bonds
- Mutual Funds

If the instruments are not 100% market observable, the price is a function of other market observable prices (Level 2). The following financial instruments are classified in level 2:

Type of financial instrument	Valuation model used	Description
a.Mortgage and private bonds	Present value of cash flows	RiskAmerica provides the internal rates of return (IRR) according to the following criteria: On the valuation day, if there are one or more valid transactions in the Santiago Stock Exchange for a given mnemonic code, the reported rate is the weighted average of said rates. If there are no valid transactions for a given mnemonic data on the valuation day, the reported rate is an 'IRR baseline' from a reference structure plus a 'Model Spread' based on information from historical spreads of the same or similar documents.
b. Time deposits	Present value of cash flows	RiskAmerica provides the internal rates of return (IRR) according to the following criteria: On the valuation day, if there are one or more valid transactions in the Santiago Stock Exchange for a given mnemonic code, the reported rate is the weighted average amounted by said rates. If there are no valid transactions for a given mnemonic code on the valuation day, the reported rate is an 'IRR baseline' from a reference structure plus a 'Model Spread' based on the 'Issuer curves'.
c.Constant Maturity Swap (CMS), Forward FX and Inflation, Cross Currency Swap (CCS), Interest Rate Swap (IRS)	Present value of cash flows	Rates (IRR) are provided by ICAP, GFI, Tradition and Bloomberg according to the following criteria: The published market prices are used to construct the valuation curve using the bootstrapping method and then this curve is used to value the various derivatives.
d. FX Options	Black-Scholes	Formula adjusted by the volatility smile (implicit volatility). BGC Partners provide prices (volatilities) according to the following criteria: The volatility surface is built through interpolation using published market prices, and these volatilities are then used to value the options.
e. Guarantees for threshold transactions, guarantee deposits	Present value of cash flows	Transactions related to derivatives contracts such as Constant Maturity Swap (CMS), Forward FX and Inflation, Cross Currency Swap (CCS), Interest Rate Swap (IRS) and FX Options.

In limited cases, unobservable inputs are used in market data (Level 3). Various techniques are used to estimate this, including extrapolating observable market data or a mix of observable data.

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

The following financial instruments are classified at level 3:

	Type of financial instrument	Valuation model used	Description
f.	Caps/Floors/Swaptions	Black Normal model for Cap/Floors and Swaptions	There is no observable input of implied volatility.
		Black-Scholes	There is no observable input of implied volatility.
		Hull-White	Hybrid HW model for rates and Brownian motion for FX. There is no observable input of implied volatility.
		Implicit Forward Rate Agreement (FRA)	Start Fwd is unsupported by Murex (platform) due to the UF forward estimate.
g.	CCS, IRS, CMS in Active Bank Rate (TAB)	Present value of cash flows	Valuation obtained using yield curve interpolating to maturity of flows. Nevertheless, TAB is not a directly observable variable nor correlated to any market input.
		Present value of cash flows	Valuation using prices of instruments with similar characteristics plus a liquidity charge-off rate.
h.	CCS (maturities over 25 years)	Present value of cash flows	Rates (IRR) are provided by ICAP, GFI, Tradition and Bloomberg according to the following criteria: The published market prices are used to construct the valuation curve using the bootstrapping method, and then this curve is used to value the various derivatives.
i.	Recognition bonds	Spread over risk-free	Valuation by the stochastic dynamic model to obtain the discount rate.
j.	Receivables accounts valued at fair value	Present value of cash flows	Measured by discounting the estimated cash flow using the interest rate of the new contracts.

The Bank estimates that any changes in the unobservable inputs for instruments classified as level 3 would not result in significant differences in the fair value measurement.

The following table presents the assets and liabilities that are measured at fair value constantly:

As of June 30,	Fair value measurements			
	2022	Level 1	Level 2	Level 3
	MCh$	MCh$	MCh$	MCh$
Assets				
Financial assets held for trading at fair value through profit or loss	**14,579,153**	**65,929**	**14,510,721**	**2,503**
Financial derivatives contracts	14,495,254	-	14,492,751	2,503
Debt financial instruments	83,899	65,929	17,970	-
Financial assets at fair value through other comprehensive income	**6,020,627**	**5,934,056**	**11,002**	**75,568**
Debt financial instruments	5,945,398	5,934,056	11,002	339
Other financial instruments	75,229	-	-	75,229
Financial derivative contracts for hedge accounting	894,425	-	894,425	-
Guarantee money deposits	**2,371,894**	**-**	**2,371,894**	**-**
Total	**23,866,100**	**5,999,985**	**17,788,043**	**78,071**
Liabilities				
Financial liabilities held for trading at fair value through profit or loss	**14,222,893**	**-**	**14,222,893**	**-**
Financial derivatives contracts	14,222,893	-	14,222,893	-
Financial derivative contracts for hedge accounting	**2,382,889**	**-**	**2,382,889**	**-**
Guarantees for threshold operations	**1,208,861**	**-**	**1,208,861**	**-**
Total	**17,814,643**	**-**	**17,814,643**	**-**

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

As of December 31,	2021	Fair value measurements		
		Level 1	Level 2	Level 3
	MCh$	MCh$	MCh$	MCh$
Assets				
Financial assets held for trading at fair value through profit or loss	**9,567,818**	**42,437**	**9,522,885**	**2,496**
Financial derivatives contracts	9,494,471	-	9,491,975	2,496
Debt financial instruments	73,347	42,437	30,910	-
Financial assets at fair value through other comprehensive income	**5,900,796**	**5,787,289**	**13,534**	**99,973**
Debt financial instruments	5,801,378	5,787,289	13,534	555
Other financial instruments	99,418	-		99,418
Financial derivative contracts for hedge accounting	**629,136**	-	**629,136**	-
Guarantee money deposits	**1,988,410**	-	**1,988,410**	-
Total	**18,086,160**	**5,829,726**	**12,153,965**	**102,469**
Liabilities				
Financial liabilities held for trading at fair value through profit or loss	**9,507,031**	-	**9,507,031**	-
Financial derivatives contracts	9,507,031	-	9,507,031	-
Financial derivative contracts for hedge accounting	**1,364,210**	-	**1,364,210**	-
Guarantees for threshold operations	**857,679**	-	857,679	-
Total	**11,728,920**	-	**11,728,920**	-

As of January 1,	2021	Fair value measurements		
		Level 1	Level 2	Level 3
	MCh$	MCh$	MCh$	MCh$
Assets				
Financial assets held for trading at fair value through profit or loss	**8,798,538**	**132,246**	**8,658,691**	**7,601**
Financial derivatives contracts	**8,664,820**	-	8,657,219	7,601
Debt financial instruments	**133,718**	132,246	1,472	-
Financial assets at fair value through other comprehensive income	**7,229,639**	**7,143,068**	**16,731**	**69,840**
Debt financial instruments	**7,160,325**	7,143,068	16,731	526
Other financial instruments	**69,314**	-	-	69,314
Financial derivative contracts for hedge accounting	**367,265**	-	367,265	-
Guarantee money deposits	**596,555**	-	**596,555**	-
Total	**16,991,997**	**7,275,314**	**9,639,242**	**77,441**
Liabilities				
Financial liabilities held for trading at fair value through profit or loss	**8,569,523**	-	**8,566,763**	**2,760**
Financial derivatives contracts	**8,569,523**	-	8,566,763	2,760
Financial derivative contracts for hedge accounting	**449,137**	-	449,137	-
Guarantees for threshold operations	**624,205**	-	624,205	-
Total	**9,642,865**	-	**9,640,105**	**2,760**

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

The following tables present assets and liabilities that are not measured at fair value repeatedly in the consolidated statement of financial position:

As of June 30,	2022 MCh$	Fair value measurements Level 1 MCh$	Level 2 MCh$	Level 3 MCh$
Assets				
Debt financial instruments at amortised cost				
Debt financial instruments	4,126,667	4,126,667	-	-
Interbank loans and receivables from customers	38,481,993	-	-	38,481,993
Total	42,608,660	4,126,667	-	38,481,993
Liabilities				
Financial liabilities at amortised cost				
Deposits and other demand liabilities	15,725,629	-	-	15,725,629
Time deposits and other term equivalents	12,106,875	-	12,106,875	-
Interbank borrowing	8,624,159	-	8,624,159	-
Debt financial instruments issued	8,811,058	-	8,811,058	-
Other financial liabilities	211,330	-	211,330	-
Total	45,479,051	-	29,753,422	15,725,629

As of December 31,	2021 MCh$	Fair value measurements Level 1 MCh$	Level 2 MCh$	Level 3 MCh$
Assets				
Debt financial instruments at amortised cost				
Debt financial instruments	4,249,697	4,249,697	-	-
Interbank loans and receivables from customers	35,754,511	-	-	35,754,511
Total	40,004,208	4,249,697	-	35,754,511
Liabilities				
Financial liabilities at amortised cost				
Deposits and other demand liabilities	17,688,878	-	-	17,688,878
Time deposits and other term equivalents	10,011,039	-	10,011,039	-
Interbank borrowing	8,722,020	-	8,722,020	-
Debt financial instruments issued	8,545,959	-	8,545,959	-
Other financial liabilities	186,150	-	186,150	-
Total	45,154,046	-	27,465,168	17,688,878

As of January 1,	2021 MCh$	Fair value measurements Level 1 MCh$	Level 2 MCh$	Level 3 MCh$
Assets				
Debt financial instruments at amortised cost				
Debt financial instruments	-	-	-	
Interbank loans and receivables from customers	36,990,699	-	-	36,990,699
Total	36,990,699	-	-	36,990,699
Liabilities				
Financial liabilities at amortised cost				
Deposits and other demand liabilities	14,827,366	-	-	14,827,366
Time deposits and other term equivalents	10,775,444	-	10,775,444	-
Interbank borrowing	6,444,416	-	6,444,416	-
Debt financial instruments issued	9,379,945	-	9,379,945	-
Other financial liabilities	210,733	-	210,733	-
Total	41,637,905	-	26,810,539	14,827,366

The fair value of other assets and other liabilities approximates its book value.

The methods and assumptions for estimating fair value are defined below:

b. Loans and amounts owed by credit institutions and by customers: Fair value is estimated for groups of loans with similar characteristics. The fair value was measured by discounting the estimated cash flow using the interest rate of the new contracts. First, the future cash flow of the current loan portfolio is estimated using contractual rates. Then the new loans distributed over the risk-free interest rate are incorporated into the (risk-free) yield curve to calculate the loan portfolio at fair value.

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

In terms of behavioural assumptions, it is important to underline that a prepayment rate is applied to the loan portfolio, resulting in a more realistic future cash flow.

c. Deposit and Bank Borrowings: The fair value of deposits was calculated by discounting the difference between the cash flows on a contractual basis and prevailing market rates for instruments with similar maturities. The book value was considered to approximate the fair value for variable rate deposits.

d. Debt instruments issued and other financial obligations: The fair value of long-term borrowings was estimated using the discounted cash flow to the interest rate presented in the market with similar terms and maturities.

The valuation techniques used to estimate each level are defined in Note 2.

There were no transfers between Tiers 1 and 2 for the year ended June 30, 2022 and 2021.

The following table presents the Bank's activity for assets and liabilities measured at fair value repeatedly using significant unobserved inputs (level 3) as of June 30, 2022, and December 31, 2021:

	Assets MCh$	Liabilities MCh$
As of January 1, 2022	100,814	-
Total realised and unrealised profit (loss):		
Included in profit	(22,527)	-
Included in comprehensive income	(216)	-
Acquisitions, issues and placements (net)	-	-
Level transfers	-	-
As of June 30, 2022	78,071	-
Total profit or loss included in profit or loss as of June 30, 2022, attributable to the change in unrealised profit (loss) relating to assets or liabilities as of December 31, 2021	(22,743)	-

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

	Assets MCh$	Liabilities MCh$
As of January 1, 2021	**8,127**	**2,760**
Total realised and unrealised profit (loss):		
Included in profit	(4,711)	-
Included in comprehensive income	29	-
Acquisitions, issues and placements (net)	97,763	-
Level transfers	(394)	(2,760)
As of December 31, 2021	**100,814**	**-**
Total profit or loss included results as of December 31, 2021, attributable to the change in unrealised profit (loss) relating to assets or liabilities as of December 31, 2020	**92,687**	**(2,076)**

Realised and unrealised profit (loss) included in results as of June 30, 2022 and 2021 on assets and liabilities measured at fair value regularly through significant unobservable inputs (Level 3) are recorded in the Consolidated Income Statement under 'Net income from financial operations'.

The potential effect as of June 30, 2022 and 2021 on the continuous valuation of assets and liabilities measured at fair value through significant unobservable inputs (Level 3) –which stem from a change in key assumptions in case using other reasonably possible assumptions is more or less favourable than those used— is not considered significant to the Bank.

The following tables show the financial instruments subject to compensation according to IAS 32 for 2022 and 2021:

As of June 30, 2022	Linked financial instruments, offset on the balance sheet				
	Gross imports	Amounts offset on the balance sheet	Net amount presented in the balance sheet	Residuals of financial instruments that are not linked and/or not subject to compensation	Amount in the statement of financial position
	MCh$	MCh$	MCh$	MCh$	MCh$
Assets					
Financial derivatives contracts	13,866,777	-	13,866,777	1,522,902	**15,389,679**
Repurchase and securities lending contracts	-	-	-	-	**-**
Interbank loans and receivables from customers	-	-	-	37,140,448	**37,140,448**
Total	**13,866,777**	**-**	**13,866,777**	**38,663,350**	**52,530,128**
Liabilities					
Financial derivatives contracts	13,880,376	-	13,880,376	2,725,405	**16,605,782**
Repurchase and securities lending contracts	811,731	-	811,731	-	**811,731**
Deposits and obligations with banks	-	-	-	36,862,644	**36,862,644**
Total	**14,692,107**	**-**	**14,692,107**	**39,588,049**	**54,280,156**

As of December 31, 2021	Linked financial instruments, offset on the balance sheet				
	Gross imports	Amounts offset on the balance sheet	Net amount presented in the balance sheet	Residuals of financial instruments that are not linked and/or not subject to compensation	Amount in the statement of financial position
	MCh$	MCh$	MCh$	MCh$	MCh$
Assets					
Financial derivative contracts (*)	8,976,617	-	**8,976,617**	1,146,990	**10,123,607**
Repurchase and securities lending contracts	-	-	**-**	-	**-**
Interbank loans and receivables from customers	-	-	**-**	35,676,007	**35,676,007**
Total	**8,976,617**	**-**	**8,976,617**	**36,822,997**	**45,799,614**
Liabilities					
Financial derivative contracts (*)	8,730,066	-	**8,730,066**	2,141,175	**10,871,241**
Repurchase and securities lending contracts	86,634	-	**86,634**	-	**86,634**
Deposits and obligations with banks	-	-	**-**	36,858,576	**36,858,576**
Total	**8,816,700**	**-**	**8,816,700**	**38,999,751**	**47,816,451**

(*) These items include guarantees of MCh$ 882,398 and MCh$ 999,425 for derivative assets and liabilities, respectively.

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

As of January 1, 2021	Linked financial instruments, offset on the balance sheet			Residuals of financial instruments that are not linked and/or not subject to compensation	Amount in the statement of financial position
	Gross imports	Amounts offset on the balance sheet	Net amount presented in the balance sheet		
	MCh$	MCh$	MCh$	MCh$	MCh$
Assets					
Financial derivative contracts (*)	8,976,617	-	8,976,617	1,146,990	10,123,607
Repurchase and securities lending contracts	-	-	-	-	-
Interbank loans and receivables from customers	-	-	-	35,676,007	35,676,007
Total	8,976,617	-	8,976,617	36,822,997	45,799,614
Liabilities					
Financial derivative contracts (*)	8,730,066	-	8,730,066	2,141,175	10,871,241
Repurchase and securities lending contracts	86,634	-	86,634	-	86,634
Deposits and obligations with banks	-	-	-	36,858,576	36,858,576
Total	8,816,700	-	8,816,700	38,999,751	47,816,451

(*) These items include guarantees of MCh$ 882,398 and MCh$ 999,425 for derivative assets and liabilities, respectively.

To reduce the credit exposure on its financial derivatives transactions, the Bank has entered into bilateral collateral agreements with its counterparties, setting out the terms and conditions under which they operate. In general terms, collateral (received/delivered) operates when the net fair value of the financial instruments held exceeds the thresholds defined in the respective contracts.

Financial derivative contracts are listed below, according to their collateral agreement:

Financial derivatives contracts and hedge accounting	As of June 30, 2022		As of December 31, 2021		As of January 1, 2021	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Derivative contracts with a zero threshold collateral agreement	12,068,589	13,022,525	8,696,994	9,280,079	8,127,263	7,900,539
Derivative contracts with non-zero threshold collateral agreement	1,375,798	1,280,504	1,124,413	906,479	471,529	606,661
Derivative contracts without collateral agreement	1,945,292	2,302,750	302,200	684,683	433,293	511,460
Total financial derivatives	15,389,679	16,605,779	10,123,607	10,871,241	9,302,085	9,018,660

NOTE 45 - MATURITY OF FINANCIAL ASSETS AND LIABILITIES ACCORDING TO REMAINING MATURITIES

As of June 30, 2022, and December 31, 2021, the detail of the maturity of financial assets and liabilities according to their remaining maturities is as follows:

As of June 30, 2022	On demand MCh$	Up to 1 month MCh$	Between 1 to 3 months MCh$	Between 3 to 12 months MCh$	Between 1 to 3 years MCh$	Between 3 to 5 years MCh$	More than 5 years MCh$	Total MCh$
Financial assets								
Cash and bank deposits	2,890,381	-	-	-	-	-	-	**2,890,381**
Cash in the process of collection	507,463	-	-	-	-	-	-	**507,463**
Debt financial instruments at fair value	-	-	-	12,772	15,939	43,979	11,209	**83,899**
Debt financial instruments to OCI	-	3,010,430	-	94,212	316,523	642,285	1,881,948	**5,945,398**
Financial derivative contracts and hedge accounting	-	720,772	696,609	2,288,315	3,557,965	2,707,754	5,418,264	**15,389,679**
Rights under repurchase and securities lending agreements	-	-	-	-	-	-	-	**-**
Debt financial instruments at amortised cost (1)	-	-	-	95,504	2,291,274	2,193,885	-	**4,581,663**
Interbank loans (2)	-	6	6	-	-	-	-	**12**
Loans and receivables from customers (3)	510,974	3,954,617	3,178,992	5,132,464	7,650,237	4,273,896	13,455,741	**38,156,921**
Guarantee money deposits	2,371,894	-	-	-	-	-	-	**2,371,894**
Total financial assets	**6,280,712**	**7,685,825**	**3,875,607**	**7,624,267**	**13,831,938**	**9,861,799**	**20,767,162**	**69,927,310**

As of June 30, 2022	On demand MCh$	Up to 1 month MCh$	Between 1 to 3 months MCh$	Between 3 to 12 months MCh$	Between 1 to 3 years MCh$	Between 3 to 5 years MCh$	More than 5 years MCh$	Total MCh$
Financial liabilities								
Cash in the process of collection	426,556	-	-	-	-	-	-	**426,556**
Financial derivative contracts for hedge accounting	-	766,393	511,852	2,030,858	5,021,749	2,779,798	5,495,132	**16,605,782**
Deposits and other demand liabilities	15,725,629	-	-	-	-	-	-	**15,725,629**
Time deposits and other term equivalents	200,871	6,138,183	2,729,584	2,465,811	330,123	4,760	23,967	**11,893,299**
Obligations under repurchase and securities lending agreements	-	811,627	-	104	-	-	-	**811,731**
Interbank borrowing	263,367	28,366	710,152	2,711,313	5,530,518	-	-	**9,243,716**
Debt and regulatory capital financial instruments issued	-	98,510	436,102	742,761	2,799,242	1,635,465	1,301,561	**7,013,641**
Other financial liabilities	-	-	-	300,970	-	-	249	**301,219**
Obligations under leasing contracts	-	-	-	25,762	47,479	34,514	32,425	**140,180**
Guarantee money deposits	1,208,861	-	-	-	-	-	-	**1,208,861**
Total financial liabilities	**17,825,284**	**7,843,079**	**4,387,690**	**8,277,579**	**13,729,111**	**4,454,537**	**6,853,334**	**63,370,614**

(1) Debt financial instruments are presented on a gross basis; the amount of the provision is MCh$882.
(2) Amounts due from banks are presented on a gross basis; the amount of the provision is MCh$0.
(3) Loans and receivables at amortised cost are presented gross; the amount of provisions is MCh$1,016,473.

NOTE 45 - MATURITY OF FINANCIAL ASSETS AND LIABILITIES ACCORDING TO REMAINING MATURITIES, continued

As of December 31, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 to 3 months MCh$	Between 3 to 12 months MCh$	Between 1 to 3 years MCh$	Between 3 to 5 years MCh$	More than 5 years MCh$	Total MCh$
Financial assets								
Cash and bank deposits	2,881,558	-	-	-	-	-	-	**2,881,558**
Cash in the process of collection	390,271	-	-	-	-	-	-	**390,271**
Debt financial instruments to fair value	-	698	67	-	24,341	38,644	9,597	**73,347**
Debt financial instruments to OCI	-	3,259,823	90	309,831	89,127	306,049	1,838,219	**5,803,139**
Financial derivative contracts for hedge accounting	-	186,546	318,606	1,185,220	2,222,851	2,172,208	4,038,176	**10,123,607**
Rights under repurchase and securities lending agreements	-	-	-	-	-	-	-	-
Debt financial instruments at amortised cost (1)	-	-	-	401,086	3,979,594	-	-	**4,380,680**
Interbank loans (2)	-	407	21	-	-	-	-	**428**
Loans and receivables from customers (3)	194,086	1,562,696	1,695,130	3,792,426	5,146,156	697,335	23,546,511	**36,634,340**
Guarantees for threshold operations	1,988,410	-	-	-	-	-	-	**1,988,410**
Total financial assets	**5,454,325**	**5,010,170**	**2,013,914**	**5,287,477**	**7,883,561**	**7,193,830**	**29,432,503**	**62,275,780**

As of December 31, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 to 3 months MCh$	Between 3 to 12 months MCh$	Between 1 to 3 years MCh$	Between 3 to 5 years MCh$	More than 5 years MCh$	Total MCh$
Financial liabilities								
Cash in the process of collection	379,934	-	-	-	-	-	-	**379,934**
Financial derivative contracts for hedge accounting	-	195,808	348,382	987,403	2,948,206	2,294,608	4,096,834	**10,871,241**
Deposits and other demand liabilities	17,900,938	-	-	-	-	-	-	**17,900,938**
Time deposits and other term equivalents	204,548	5,211,798	2,642,651	1,902,664	108,510	39,728	21,156	**10,131,055**
Obligations under repurchase and securities lending agreements	-	86,634	-	-	-	-	-	**86,634**
Interbank borrowing	100,135	218,528	606,255	2,290,225	5,611,440	-	-	**8,826,583**
Debt and regulatory capital financial instruments issued	-	7,375	289,466	871,447	1,819,637	2,368,118	333,465	**8,989,508**
Other financial liabilities	182,442	69	101	34	101	115	45	**182,907**
Obligations under leasing contracts	-	-	-	23,391	45,121	35,248	36,035	**139,795**
Guarantees for threshold operations	857,679	-	-	-	-	-	-	**857,679**
Total financial liabilities	**19,625,676**	**5,720,212**	**3,886,855**	**6,075,164**	**10,533,015**	**4,737,817**	**7,787,555**	**58,366,294**

(1) Debt financial instruments are presented on a gross basis; the amount of the provision is MCh$710.
(2) Amounts due from banks are presented on a gross basis; the amount of the provision is MCh$0.
(3) Loans and receivables at amortised cost are presented gross; the amount of provisions is MCh$ 958,769.

NOTE 45 - MATURITY OF FINANCIAL ASSETS AND LIABILITIES ACCORDING TO REMAINING MATURITIES, continued

As of January 1, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 to 3 months MCh$	Between 3 to 12 months MCh$	Between 1 to 3 years MCh$	Between 3 to 5 years MCh$	More than 5 years MCh$	Total MCh$
Financial assets								
Cash and bank deposits	2,803,288	-	-	-	-	-	-	**2,803,288**
Cash in the process of collection	452,963	-	-	-	-	-	-	**452,963**
Debt financial instruments to fair value	-	680	2,630	499	633	18,257	111,019	**133,718**
Debt financial instruments to OCI	-	1,006,983	493	188,977	205,150	2,378,752	3,382,187	**7,162,542**
Financial derivative contracts for hedge accounting	-	385,231	401,486	795,881	1,723,334	1,692,142	4,034,011	**9,032,085**
Rights under repurchase and securities lending agreements	-	-	-	-	-	-	-	**-**
Debt financial instruments at amortised cost (1)	-	-	-	-	-	-	-	**-**
Interbank loans (2)	-	12,969	5,961	-	-	-	-	**18,930**
Loans and receivables from customers (3)	170,214	1,233,302	1,437,698	3,670,246	3,659,994	308,651	23,910,135	**34,390,240**
Guarantees for threshold operations	608,359	-	-	-	-	-	-	**608,359**
Total financial assets	**4,034,824**	**2,639,165**	**1,848,268**	**4,655,603**	**5,589,111**	**4,397,802**	**31,437,352**	**54,602,125**

As of January 1, 2021	On demand MCh$	Up to 1 month MCh$	Between 1 to 3 months MCh$	Between 3 to 12 months MCh$	Between 1 to 3 years MCh$	Between 3 to 5 years MCh$	More than 5 years MCh$	Total MCh$
Financial liabilities								
Cash in the process of collection	361,631	-	-	-	-	-	-	**361,631**
Financial derivative contracts for hedge accounting	-	386,690	445,376	931,358	1,552,482	1,708,509	3,994,245	**9,018,660**
Deposits and other demand liabilities	14,560,893	-	-	-	-	-	-	**14,560,893**
Time deposits and other term equivalents	159,918	5,843,682	2,912,985	1,434,246	163,053	44,384	23,523	**10,581,791**
Obligations under repurchase and securities lending agreements	-	969,808	-	-	-	-	-	**969,808**
Interbank borrowing	16,832	238,414	222,992	855,434	1,140,426	3,854,501	-	**6,328,599**
Debt financial instruments issued	-	344,732	447,117	343,156	1,813,341	2,499,560	2,756,271	**8,204,177**
Other financial liabilities	144,478	38,148	1,375	27	89	105	96	**184,318**
Obligations under leasing contracts	-	-	-	25,526	44,933	35,679	43,447	**149,585**
Financial instruments of regulatory capital issued	-	-	-	-	-	-	-	-
Guarantees for threshold operations	624,205	-	-	-	-	-	-	**624,205**
Total financial liabilities	**15,867,957**	**7,821,474**	**4,029,845**	**3,589,747**	**4,714,324**	**8,142,738**	**6,817,582**	**50,983,667**

(1) Debt financial instruments are presented on a gross basis; the amount of the provision is MCh$0.
(2) Amounts due from banks are presented on a gross basis; the amount of the provision is MCh$9.
(3) Loans and receivables at amortised cost are presented gross; the amount of provisions is MCh$ 958,429.

NOTE 46 - FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES BY CURRENCY

The following are the amounts of financial and non-financial assets and liabilities for the most relevant currencies at the end of the year ended June 30, 2022 and 2021.

	As of June 30, 2022										
	Local Currency			Foreign Currency							
	CLP	CLF	Adjustable by exchange rate	USD	EUR	GBP	CHF	JPY	CNY	COP	Other
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial assets	37,091,978	23,192,547	129,597	9,343,680	142,949	7,771	4,310	5,466	5,310	-	3,702
Non-financial assets	756,857	182,600	23	13,004	3,911	25	690	-	-	-	20
TOTAL ASSETS	**37,848,835**	**23,375,147**	**129,620**	**9,356,684**	**146,860**	**7,796**	**5,000**	**5,466**	**5,310**	-	**3,722**
Financial liabilities	43,473,534	6,385,288	-	11,866,341	523,984	1,083	747,437	219,306	5,383	-	148,338
Non-financial liabilities	2,447,330	182,155	-	1,135,806	54,478	23	1,412	156	4	-	1,749
TOTAL LIABILITIES	**45,920,864**	**6,567,443**	-	**13,002,147**	**578,462**	**1,106**	**748,849**	**219,462**	**5,387**	-	**150,087**

	As of December 31, 2021										
	Local Currency			Foreign Currency							
	CLP	CLF	Adjustable by exchange rate	USD	EUR	GBP	CHF	JPY	CNY	COP	Other
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial assets	37,389,591	21,405,317	125,536	3,091,583	233,341	1,012	1,935	7,924	11,913	-	7,628
Non-financial assets	953,160	-	168	-	125,555	97	-		25	-	280,292
TOTAL ASSETS	**38,342,751**	**21,405,317**	**125,704**	**3,091,583**	**358,896**	**1,109**	**1,935**	**7,924**	**11,938**	-	**287,920**
Financial liabilities	40,103,320	5,535,745	11	11,055,316	408,157	1,087	860,050	243,274	11,936	-	147,398
Non-financial liabilities	575,070	39,219	-	909,273	13,033	23	884	193	3	-	1,808
TOTAL LIABILITIES	**40,678,390**	**5,574,964**	**11**	**11,964,589**	**421,190**	**1,110**	**860,934**	**243,467**	**11,939**	-	**149,206**

The fair value of derivative instruments is shown in Chilean Peso currency and the notional amount is not included.

NOTE 47 - RISK MANAGEMENT AND REPORTING

General information

The Bank has a solid risk culture, which defines the way risks are understood and managed, based on the principle that all employees are responsible for their management. Therefore, their classification is fundamental for their effective control.

In this respect, the Bank has established the following key risks in its corporate framework:

a. Credit risk: the risk that one party to a financial instrument contract will fail to meet its contractual obligations because of the insolvency or incapacity of the natural or legal persons and will cause the other party to incur a financial loss.
b. Market risks: arise from holding financial instruments whose value may be affected by changes in market conditions; they generally include the following types of risk:
    1. Foreign exchange risk arises from changes in the exchange rate between currencies.
    2. Fair value interest rate risk arises from changes in market interest rates.
    3. Price risk arises from changes in market prices, either due to factors specific to the instrument itself or to factors affecting all instruments traded in the market.
    4. Inflation risk arises due to changes in inflationary indices in Chile, which would apply mainly to financial instruments denominated in UF.
c. Liquidity risk: it is the possibility that an entity may be unable to meet its payment commitments or that to meet them, it may have to raise funds with onerous terms or risk damage to its image and reputation.
d. Operational risk: it refers to risk arising from human error, systems error, fraud or external events which could cause the Bank reputational loss, have legal or regulatory implications or cause financial loss.
e. Capital risk: it is the risk that the Bank has insufficient capital quantity and/or quality to meet the minimum requirements to operate as a bank, respond to market expectations regarding its credit capacity and support the growth of its business and any strategies that may emerge per its strategic plan.

Banco Santander's risk management and control principles are mandatory, must always be applied, and comprise the regulatory requirements and best practices. They are:

a. A strong risk culture that all employees follow covers all risks and promotes socially responsible management, contributing to the Bank's long-term sustainability.

b. All employees are responsible for risk management and must know and understand the risks generated by their daily activities. They must avoid taking risks whose impact is unknown or exceeds the Bank's risk appetite limits.

c. Involvement of senior management in ensuring consistent risk management and control through their conduct, actions, and communications. This body promotes the risk culture, assessing its degree of implementation and monitoring that the profile remains within the levels defined in the Bank's risk appetite.

d. Independence of risk management and control functions.

e. Proactive and comprehensive risk management and control approach across all businesses and risk types.

f. Proper and comprehensive information management enables risks to be identified, assessed, managed and communicated appropriately at the appropriate levels.

These principles, together with several interconnected tools and processes of the strategy, such as the risk appetite, risk profile assessment, scenario analysis, risk reporting structure, and the annual budget processes, all articulate a holistic control structure for the entire Bank.

Risk governance

The Bank has a robust risk governance structure that pursues effective control of the risk profile, consistent with the appetite defined by the Board and based on the distribution of roles among the three lines of defence and a strong committee structure, which is reinforced by the Risk Pro culture that permeates the entire organisation.

The Bank's three lines of defence model aim to ensure effective risk management and control:

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

First line

Business lines and all other risk-creating functions are the first lines of defence. These functions must ensure that their risks are aligned with the approved risk appetite and corresponding limits. Any unit that originates risk has primary responsibility for managing said risk.

Second line

The Risk and Compliance and Conduct functions. Its role is to independently monitor and challenge the risk management activities of the first line of defence. These functions ensure risk management under the appetite defined by the Board and promote a strong risk culture throughout the organisation.

Third line

The Internal Audit function regularly assesses that policies, methodologies, and procedures are adequate and effectively implemented in managing and controlling all risks.

Risk committee structure

The Board of Directors is responsible for establishing and monitoring the Bank's risk management structure. It has a corporate governance system aligned with local regulations and international best practices.

For proper functioning, the Bank has several key high-level committees, each of which is composed of directors and executive members of Santander's management:

a. Comprehensive Risk Committee (CIR)

The Board's Comprehensive Risk Committee is the body responsible for advising the Board on the definition of the risk appetite that the business areas may assume and supervising the correct identification, measurement, and control of all risks that may affect the Bank. In addition, this committee acts as a governance body through which the Board oversees the reasonableness of risk measurement and control systems. The Board of Directors has delegated responsibility for credit risk management to the Bank's Comprehensive Risk Committee (CIR) and the Bank's Risk Division.

b. Directors and Audit Committee

The main responsibility of this Committee is to support the Board of Directors in the ongoing improvement of internal control, which includes reviewing the work of the external auditors, the Internal Audit Department and overseeing the process of generating the financial statements. The Committee is also responsible for analysing the observations made by the regulatory bodies of the Chilean financial system on the Bank and recommending measures to be taken by management. The external auditors are recommended by this Committee to the Board of Directors and appointed by the shareholders at the annual meeting.

c. Asset-Liability Committee (ALCO)

ALCO's main functions are monitoring and controlling structural balance sheet risks, such as inflation exposure limits, interest rate risk, capital funding levels and liquidity. Furthermore, a review of developments in the most relevant local and international monetary markets and policies.

d. Market Committee

The Market Committee is responsible for establishing the Bank's policies, procedures, and limits regarding its trading portfolio, making estimates of domestic and international economic conditions that can be used for position-taking. Review of the results of the Bank's customer treasury business.

e. Risk Division

The Board delegates the identification, measurement and control of the various risks faced by the Bank to the Risk Division, which is led by the Chief Risk Officer (CRO), reporting directly to the General Manager (in conjunction with the Comprehensive Risk Committee). The Chief Risk Officer (CRO) is responsible for monitoring all risks and reviewing and advising the business lines on managing these risks. The areas of credit risk, market risk (including liquidity and structural), operational risk, strategic risk, model risk, compliance risk and reputational risk report to this division.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

CREDIT RISK

Credit risk is the risk that one party to a financial instrument contract will fail to meet its contractual obligations due to the insolvency or incapacity of the natural or legal persons and will cause the other party to incur a financial loss. For credit risk management purposes, the Bank consolidates all elements and components of credit risk exposure (e.g. individual creditor default risk, business line or sector inherent risk, and/or geographical risk).

Credit risk management

The Bank has set up a set of credit approval committees in which teams from the Board of Directors, the Risk Division, and the commercial areas participate, jointly verifying each loan applicant's quantitative and qualitative parameters.

The Board has delegated responsibility for credit risk management to the Integrated Risk Committee (IRC) and the Bank's risk departments, whose roles are summarised below:

1. Formulation of credit policies, in consultation with the business units, covering collateral requirements, the credit assessment, risk rating and reporting, documents and legal procedures in compliance with regulatory, legal and internal Bank requirements.
2. Establishing the authorisation structure for the approval and renewal of credit applications. The Bank structures credit risk levels by limiting the concentration of credit risk in terms of individual debtors, groups of debtors, industry segments and countries.
3. Authorisation limits assignment to the respective business unit officers (commercial, consumer, SME) to be monitored on an ongoing basis by the administration. Furthermore, these limits are regularly reviewed. Risk assessment teams at the branch level regularly interact with clients, yet, for large operations, the risk teams at the head office and even the Risk Committee collaborate directly with clients in assessing credit risks and preparing credit applications.
4. Limiting exposure concentrations to customers, counterparties, in geographic areas, industries (for receivables or credits), and by the issuer, credit rating and liquidity (for investments).
5. Developing and maintaining the Bank's risk classification to categorise risks by the degree of exposure to financial loss of the respective instruments and to focalise risk management, specifically on the related risks.
6. Reviewing and assessing credit risk. The risk divisions are largely independent of the Bank's commercial division and assess all credit risks above designated limits before customer credit approvals or specific investments acquisition. Credit renewals and reviews are subject to similar processes.

The risk assessment teams regularly interact with our clients. For larger transactions, Risk teams collaborate directly with clients in assessing credit risks and preparing credit applications. Credit approval committees, including risk and commercial staff, must ensure that each applicant meets appropriate qualitative and quantitative parameters. The Bank's Board of Directors defines the powers of each committee.

In preparing a credit application for a corporate customer whose loans are approved on an individual basis, the Bank verifies various parameters such as debt servicing capacity (including, typically, projected cash flows), the customer's financial history and/or projections for the economic sector in which it operates. The risk division is actively involved in this process and prepares the credit application for the customer. All applications contain an analysis of the client's strengths and weaknesses, a rating and a recommendation. Credit limits are not determined based on outstanding customer balances but the financial group's direct and indirect credit risk. For example, a corporation would be assessed with its subsidiaries and affiliates.

Consumer loans are assessed and approved by their respective risk divisions (individuals, SMEs). The assessment is based on an evaluation system known as Garra (Banco Santander-Chile), an automated process with a scoring system that includes the credit risk policies implemented by the Bank's Board of Directors. The credit application process is based on collecting information to determine the client's financial situation and ability to pay. The parameters used to assess the applicant's credit risk include several variables such as income levels, length of current employment, indebtedness, and credit bureau reports.

For investments in debt instruments, the Bank assesses the probability of Uncollectibility or default of issuers or counterparties using internal and external assessments such as the Bank's independent risk assessors. Furthermore, the Bank adheres to a strict and conservative policy which ensures that the investment issuers and counterparties to derivative transactions are of the highest reputation.

Furthermore, the Bank operates several instruments which, although they involve exposure to credit risk, are not reflected in the Interim Consolidated Statements of Financial Position, such as guarantees and sureties, documentary letters of credit, letters of guarantee and commitments to extend credit.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

Guarantees and sureties represent an irrevocable payment obligation. If a guaranteed customer defaults on its obligations to third parties guaranteed by the Bank, the Bank will make the corresponding payments. These transactions involve the same credit risk exposure as ordinary loans.

Documentary letters of credit are commitments recorded by the Bank on behalf of the customer. They are secured by the traded goods they relate to and have a lower risk than direct borrowing. The guaranteed bonds are contingent commitments that become effective only if the customer fails to perform the works agreed with a third party, as guaranteed by the bonds.

In the case of commitments to extend credit, the Bank is potentially exposed to losses in an amount equal to the total unused commitment. Nevertheless, the likely amount of loss is less than the unused total of the commitment. In addition, the Bank monitors the maturity period of the credit lines because long-term commitments generally have a higher credit risk than short-term commitments.

COVID-19 Solutions

The breakdown of the Bank's assistance measures in the context of the pandemic is as follows:

Covid-19 Policy	As of December 31, 2021 MCh$
Fogape Covid-19	1,331,940
Fogape Reactiva	876,698
Rescheduling	7,877,036

The grace periods granted by the rescheduling had expired by December 31, 2021, and 97.3% of customers were up to date, and only 2.7% were impaired.

The government supported SMEs by expanding the Guarantee Fund for Small Entrepreneurs (Fogape Covid-19) and amending rules and regulations to encourage banks to provide working capital loans to small businesses. Furthermore, in 2021, the government approved the Fogape Reactiva programme to encourage investment. As of December 31, 97.4% were on a normal payment schedule, and 2.6% were impaired.

In terms of provisions, on July 17, 2020, the CMF requested the determination of specific provisions for loans backed by Fogape guarantees, for which expected losses must be determined, estimating the risk of each transaction, without considering the substitution of the credit quality of the guarantee, according to the appropriate individual or group analysis method, under the provisions of Chapter B-1 of the CASB. See Note 2, letter q.

The balance of the provisions for this item as of June 30, 2022 and December 31, 2021 amounts to MCh$24,414 and MCh$30,287, respectively.

Additional provisions

According to FMC regulation, banks can establish provisions over the limits already described to protect themselves from the risk of non-predictable economical fluctuations that could affect the macro-economic environment or a specific economic sector. These provisions shall be reported under liabilities per number 9 of Chapter B-1 of the FMC's CASB.

Due to the spread of the pandemic, the presence of new variants of the virus and the decrease in state aid in the coming months, the Bank's Board of Directors approved the creation of additional voluntary provisions in 2021 for MCh$132,000, which added to those approved in 2020, amount to MCh$258,000. Of which MCh$26,000 is for the consumer portfolio, MCh$10,000 for the mortgage portfolio and MCh$222,000 for the commercial portfolio.

Maximum credit risk exposure

For financial assets recognised in the Interim Consolidated Statements of Financial Position, the exposure to credit risk is equal to their carrying amount. For financial guarantees granted, the maximum credit risk exposure is the maximum amount that the Bank would have to pay if the guarantee were enforced.

The following is the distribution by financial asset of the Bank's maximum credit risk exposure as of June 30, 2022, and December 31, 2021, without deducting collateral and credit enhancements received:

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

	Note	As of June 30, 2022 Amount of exposure MCh$	As of December 31, 2021 Exposure total MCh$
Deposits in banks	7	1,451,192	1,998,235
Cash in the process of collection	7	507,463	390,272
Financial assets held for trading at fair value through profit or loss	8		
Financial derivatives contracts		14,495,254	9,494,470
Debt instruments		83,899	73,348
Financial assets at fair value through other comprehensive income	11		
Debt instruments		5,945,398	5,800,861
Credits and receivables from customers		75,229	99,418
Financial derivative contracts for hedge accounting	12	894,425	629,136
Financial assets at amortised cost	13		
Debt instruments		4,581,663	4,691,730
Interbank loans		12	428
Credits and receivables from customers		37,140,448	35,570,090
Unrecognised loan/credit commitments:			
Letters of credit for goods movement transactions		464,524	377,308
Transactions related to contingent events		1,489,320	1,390,409
Immediately repayable unrestricted credit lines		9,302,443	9,642,361
Guarantees and sureties		698,286	579,051
Contingent credits linked to CAE		2,154	2,640
Other credit commitments		195,887	262,877
Other contingent credits		-	-
Total		**77,327,597**	**71,002,634**

Under the new CASB, the provisions for credit risk on loans and receivables (due from banks and loans and receivables from customers) and contingent credits are determined under the criteria defined in chapters B-1 to B-3 of the new CASB. While debt instruments are measured at amortised cost and fair value through other comprehensive income, their impairment is measured under chapter 5.5 of IFRS 9. Debt instruments measured at fair value through profit or loss are not subject to impairment requirements.

In the case of derivatives, the fair value of derivatives includes the adjustment reflecting the counterparty credit risk (CVA). The CVA is calculated considering the potential exposure to each counterparty in future periods.

The methodology established for determining provisions for loan losses and contingent loans is set out in Note No 2 of accounting principles letter q). In addition, the methodology used for calculating provisions for debt instruments measured at amortised cost and those measured at fair value through other comprehensive income is described in Note 2 (r).

Information related to the concentration of credit risk is provided in Note 13, letters k, m, and n.

For derivative instruments, as of June 30, 2022, the Bank's foreign exposure, including counterparty risk in the derivatives portfolio, was US$4,039 million or 2.46% of assets.

The table below calculates the derivative exposure using the corresponding credit risk, which is equal to the net replacement value plus the maximum potential value, considering cash collateral that mitigates the exposure. Additional details regarding our exposure to countries rated above 1 and correspond to the largest exposures are also included. The exposure as of June 30, 2022, considering the fair value of derivative instruments, amounts to:

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

Domestic Loans	Ranking	Derivative instruments (Market-adjusted) US$ million	Deposits US$ million	Credits US$ million	Financial investments US$ million	Total exposure US$ million
Hong Kong	2	0.00	6.88	0.00	0.00	6.88
Italia	2	0.00	0.76	0.00	0.00	0.76
México	2	3.42	0.03	0.00	0.00	3.45
Panamá	3	0.21	0.00	0.00	0.00	0.21
Perú	2	0.08	0.00	0.00	0.00	0.08
Total		**3.71**	**7.67**	**0.00**	**0.00**	**11.38**

Our exposure to Spain within the group is as follows:

Counterpart	Domestic Loans	Classification	Derivative instruments (market-adjusted)	Deposits	Credits	Financial investments	Total exposure
				In US$ million.			
Banco Santander España (*)	Spain	1	267.63	69.36	0.00	0.00	**336.99**

(*) Our exposure to Santander Hong Kong, BSCH Spain and Santander NY is included as exposure to Spain.

Recognition and measurement of credit risk provisions

The Bank segments loans and contingent credits by the type of obligor and credit to a level appropriate for applying the models.

Provisions required to cover loans and contingent credit exposures are calculated and set up monthly in relation to the valuation models used and the type of transaction. See Note 2 (q).

Provisions on the loan portfolio are treated as valuation accounts for the respective assets. Accordingly, the amount of the portfolio net of provisions is reported in the Statement of Financial Position. Additional and contingent provisions are reported under liabilities. See Note 13.

The following is a breakdown of the loans (due from banks and receivables from customers) and contingent credit exposures and related provisions as of June 30, 2022, and December 31, 2021:

As of June 30, 2022 (**) MCh$	Financial assets before provisions					Established provisions					
	Normal Portfolio		Substandard Portfolio	Non-performing Portfolio		Normal Portfolio		Substandard Portfolio	Non-performing Portfolio		Deductible Fogape Covid-19 guarantees
	Evaluation		Evaluation	Evaluation		Evaluation		Evaluation	Evaluation		
	Individual	Group	Individual	Individual	Group	Individual	Group	Individual	Individual	Group	
Interbank loans	12	-	-	-	-	-	-	-	-	-	-
Commercial loans	11,221,170	4,946,803	1,156,268	621,043	387,758	114,200	80,096	40,880	192,288	197,069	24,414
Mortgage loans	-	14,298,452	-	-	424,854	-	24,491	-	-	81,349	-
Consumer loans	-	4,936,167	-	-	164,407	-	142,432	-	-	119,255	-
Contingent credit exposure	1,836,028	891,352	44,179	4,624	6,474	15,427	6,183	8,379	1,807	4,776	-

** See Note 13 letters c, d and e for further details.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

As of December 31, 2021 (**) MCh$	Financial assets before provisions					Established provisions					
	Normal Portfolio		Substandard Portfolio	Non-performing Portfolio		Normal Portfolio		Substandard Portfolio	Non-performing Portfolio		Deductible Fogape Covid-19 guarantees
	Evaluation		Evaluation	Evaluation		Evaluation		Evaluation	Evaluation		
	Individual	Group	Individual	Individual	Group	Individual	Group	Individual	Individual	Group	
Interbank loans	428	-	-	-	-	-	-	-	-	-	-
Commercial loans	10,604,128	4,950,187	1,162,468	573,504	363,158	100,020	77,026	42,816	187,123	182,490	30,288
Mortgage loans	-	13,483,219	-	-	392,956	-	20,182	-	-	53,779	-
Consumer loans	-	4,844,524	-	-	154,722	-	140,012	-	-	124,808	-
Contingent credit exposure	2,229,042	2,707,091	47,344	4,781	5,793	13,354	5,994	7,723	2,144	1,585	-

** See Note 13 letters c, d and e for further details.

Provisions for debt instruments are obtained monthly, under the IFRS 9 models developed and approved in the respective committees, and under appropriate governance. Those measured at amortised costs are accounted for in valuation accounts by deducting the asset's value and the corresponding effect on profit or loss. Those measured at fair value through other comprehensive income are accounted for based on the fair value recorded in 'OCI' against profit or loss. Provisions for loans and receivables measured at fair value through other comprehensive income (OCI) are calculated together with due from banks and loans receivables measured at amortised cost. As of June 30, 2022, and December 31, 2021, the impairment that concerns the instruments detailed above is:

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Debt instruments at amortised cost	882	710
Debt instruments at fair value with changes in other comprehensive income	833	703
Loans and receivables	255	226
Total	**1,970**	**1,639**

As of June 30, 2022 and December 31, 2021, the debt instrument portfolios include instruments of the Central Bank of Chile and/or the General Treasury of the Republic. Accordingly, their risk has been classified as low (no significant increase in risk). The description of the main components of the IFRS 9 model used by the Bank is set out in Note 2 (r).

As of June 30, 2022 and December 31, 2021, the loans included in the portfolio of loans and receivables measured at fair value through OCI are assets of a high credit quality (normal portfolio).

Non-compliance

The non-performing portfolio includes debtors and their loans for which recovery is considered remote, as they show an impaired or zero payment capacity, have been subject to forced restructuring or are overdue by 90 days or more in the payment of interest or principal, and are classified in the non-performing portfolio (C1 to C6).

Non-performing portfolio	As of June 30, 2022		As of December 31, 2021	
	Financial assets	Provisions	Financial assets	Provisions
	MCh$	MCh$	MCh$	MCh$
Interbank loans	12	-	-	-
Commercial loans	1,008,801	389,357	936,661	369,613
Mortgage loans	424,854	81,349	392,955	53,779
Consumer loans	164,407	119,255	154,724	124,808
Contingent credit exposure	11,098	6,583	10,574	3,729
Total	**1,609,172**	**596,544**	**1,494,914**	**551,929**

Under the IFRS9 model, the Bank uses one of the default presumption factors when an asset is overdue by 90 days or more.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

Debt instruments and loan receivables measured at fair value through OCI are not non-performing.

Individual/Group

Group assessments are suitable for dealing with many transactions with low individual amounts and involving individuals or small companies. The Bank groups debtors with similar credit risk characteristics by associating each group with a certain probability of non-performing and a recovery rate based on a substantiated historical analysis. To this end, the Bank implemented the standard model for mortgage loans, commercial loans and the internal model for consumer loans.

IFRS 9 aims to recognise expected credit loss over the asset's life, attending to significant increases in credit risk since the initial recognition. This may require a group assessment as the increase in credit risk may become more evident before the financial instrument is overdue, depending on the instrument's nature and available information. Always on the premise that information is available at no cost or effort. The grouping is based on similar risk characteristics.

Credit impairment

The impaired portfolio consists of the non-performing loans (C1 to C6) plus B3 and B4 in the case of individual assessment. As of June 30, 2022 and December 31, 2022, the impaired portfolio amounts to MCh$1,783,876 and MCh$1,651,152, respectively.

IFRS 9 defines an asset as impaired when one or more events have occurred that harm the estimated future cash flows, as evidenced by the issuer's financial difficulties, default or delinquency, bankruptcy or financial reorganisation, and disappearance from the active market.

Debt instruments and loan receivables measured at fair value through OCI are not impaired.

Charge-offs

Charge-offs must be affected when the contractual rights to the cash flows expire. Charge-offs are translated into derecognitions in the Statement of Financial Position and include the unmatured portion in the case of instalment loans. Additional circumstances could lead to a loan charge-off, such as when the Bank concludes that it will not obtain any flows, or there is no enforceable title, when collection actions become time-barred or when the deadlines defined by the FMC are reached (see Note 2 letter q). As of June 30, 2022 and December 31, 2022, loan write-offs amount to MCh$152,142 and MCh$320,014, respectively.

IFRS 9 states that a charge-off occurs when there is no reasonable expectation of recovering all or part of the contractual cash flows. A charge-off constitutes a derecognition.

Debt instruments and loans receivables measured at fair value through OCI do not present impaired instruments/transactions.

Reconciliation of provisions and loans

The reconciliation between the opening and closing balance of provisions for the bank loans, commercial loans, mortgage loans, consumer loans and exposure for contingent loans is presented in Note 13 f, g, h, i and j.

The normal portfolio comprises those debtors whose ability to pay enables them to meet their obligations and commitments, which is not expected to change. When a debtor is experiencing financial difficulties or a significant deterioration in its ability to pay, and there are reasonable doubts about the full recovery of principal and interest under the contractual terms, the customer is classified in the substandard portfolio. A client will be classified towards the non-performing portfolio if the possibility of recovering the credit is considered remote, as it shows an impaired or no ability to pay.
Reconciliation or movements of debt instruments and loans and receivables measured at fair value through other comprehensive income (OCI) are presented in Note 11.

Reconciliation or movements of debt instruments measured at amortised cost are presented in Note 13 b.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

Guarantees and credit enhancements

The maximum credit risk exposure, in some cases, is reduced by guarantees, credit enhancements and other actions that mitigate the Bank's exposure. On this basis, the constitution of guarantees is a necessary but insufficient instrument in the granting of a loan; therefore, the acceptance of the risk by the Bank requires the verification of other variables or parameters such as the capacity to pay or the generation of resources to mitigate the risk incurred.

The securities management and valuation procedures are set out in the internal risk management policy. These policies set out the basic principles for credit risk management, including managing collateral received in customer transactions. In this respect, the risk management model includes assessing the existence of appropriate and sufficient guarantees to enable the recovery of the loan when the debtor's circumstances do not allow it to meet its obligations.

The procedures used for the valuation of collateral align with best market practice, involving appraisals on real estate collateral, the market price on stock market securities, the value of units in an investment fund, etc. In addition, all received guarantees must be properly instrumented and registered and approved by the Bank's legal divisions.

The Bank also has rating tools that enable it to rank the credit quality of transactions or customers. To study how this probability varies, the Bank has historical databases that store internally generated information. Rating tools vary according to the customer segment analysed (commercial, consumer, SME, etc.).

The maximum credit risk exposure by type of loan, the associated collateral and the net credit risk exposure as of June 30, 2022, and December 31, 2021, are presented below:

	As of June 30, 2022				As of December 31, 2021			
	Maximum credit risk exposure	Guarantee	Net exposure	Allowance	Maximum credit risk exposure	Guarantee	Net exposure	Allowance
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Interbank loans	12	-	12	-	428	-	428	-
Commercial loans	18,333,042	10,169,642	8,163,400	648,946	17,653,212	10,171,168	7,482,044	619,989
Mortgage loans	14,723,306	14,421,776	301,530	105,840	13,876,175	13,331,941	544,234	73,961
Consumer loans	5,100,573	602,415	4,498,158	261,687	4,999,247	619,624	4,379,623	264,819
Contingent credit exposure	2,782,656	375,438	2,407,218	36,563	2,580,613	427,271	378,200	49,069
Total	**40,939,589**	**25,569,271**	**15,370,318**	**1,053,036**	**39,109,675**	**24,550,004**	**12,748,529**	**1,007,838**

Mortgage placements are, by their nature, covered by the properties that generated the loan, that is, the property that the customer has acquired and which guarantees the transaction.

When the Bank can receive or foreclose a property, it is accounted for as an 'Asset received or awarded in payment', and the loan and its provision are derecognised. The asset received is carried at the lower of book value and fair value (appraisal) minus costs to sell, under IFRS 5, and categorised as held for sale.

Impaired and non-impaired financial assets with associated guarantees, collateral or credit enhancements in favour of the Bank as of June 30, 2022, and December 31, 2021, are presented below:

	As of 30 June, 2022	As of 31 December 2021
	MCh$	MCh$
Non-impaired financial assets		
Properties/mortgages	27,392,856	27,013,636
Investments and others	2,229,715	1,813,714
Impaired financial assets		
Properties/mortgages	1,884,536	1,715,628
Investments and others	190,699	69,083
Total	**31,697,806**	**30,612,061**

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

Financial derivative transactions are secured by collateral agreements, which are deposited or transferred by one party in favour of the other, either in cash or financial instruments, and reduce the counterparty's credit risk. These guarantees are monitored periodically (usually daily). Accordingly, the net balance per counterparty is determined based on agreed parameters, and a decision is taken concerning whether collateral is to be posted or collected.

Credit limits of debtors related to the ownership or management of the bank

According to Article 84, No 2 of the General Banking Law (LGB) and the Updated Compilation of Banking Regulations (RAN) 12-4, the total amount of credits granted to a group of related persons may not exceed 5% of the bank's effective equity; this limit increases to 25% if what exceeds 5% corresponds to credits secured by guarantees. In no case may the total of such credits granted by a bank exceed the amount of its effective equity. Furthermore, these credits may not be granted on more favourable terms of maturity, interest rates or guarantees than those granted to third parties in similar operations.

A person's relationship with the Bank arises when they have a direct, indirect or third-party ownership interest in the Bank, participate in the management or are presumed to have such a relationship until there is sufficient evidence to rebut the presumption.

A group of persons related to the Bank shall be understood to include all natural and legal persons who can exert significant and permanent influence on the decisions of the other; there is a presumption that credits granted to one person will be used for the benefit of another, or there is a well-founded presumption that the persons maintain a relationship and form a unit of economic interest.

Subsidiaries, business support companies and affiliated companies are companies related to a bank.

Security over movable or immovable tangible property, or any other property that may legitimately be received as security, constitutes valid security.

As of June 30, 2022, and December 31, 2022, the credit limit for debtors related to the ownership or management of the Bank under Article 84 No. 2 of the General Banking Law and Chapter 12-4 of the Updated Compilation of Banking Regulations (RAN) are as follows:

	As of June 30, 2022		As of December 31, 2021	
	%	MCh$	%	MCh$
Global limitation to related groups of persons	9%	550,059	7%	419,008
Regulatory capital		6,111,764		5,776,831

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

MARKET RISK

Market risk arises due to market activity through financial instruments whose value may be affected by changes in market conditions, reflected in changes in the various assets/liabilities and financial risk factors. Market risk management aims to manage and control market risk exposure within acceptable parameters.

There are four main risk factors affecting market prices: interest rates, exchange rates, price, and inflation.

a. Interest Rate Risk: the exposure to losses arising from adverse changes in market interest rates that affect the value of instruments, contracts and other transactions recorded on the balance sheet.
b. Foreign exchange risk is the sensitivity to losses arising from adverse changes in the value of the exchange rates of the foreign currencies, including gold, in which the instruments, contracts and other transactions recorded on the balance sheet are denominated.
c. Inflation risk is the exposure to losses arising from adverse changes in the units or indices of readjustment defined in national currency. The instruments, contracts and other transactions recorded on the balance sheet are denominated.
d. Price risk is generated by the volatility of rates or prices of assets or liabilities. Prepayment risk arises when, based on price movements, holders can alter the future cash flows of these assets or liabilities, leading to balance sheet mismatches that pose additional market risk management challenges.

Market risk management

The measurement and control of market risks are the responsibility of Market Risk Management, which is part of the Risk Division. The limits are approved by the various committees in charge, responsibility for which lies mainly with the Market Committee and the Assets and Liabilities Committee. The main market risks are also reviewed in the Integrated Risk Committee.

The Finance Division manages the Bank's balance sheet, supervised and controlled by the Assets and Liabilities Committee and the Risk Division through the Financial Management Department. Its functions include the elaboration of detailed policies and their implementation, as well as:

a. To optimise the cost of liabilities and seek the most efficient financing strategies, including issuing bonds and bank facilities.
b. Management of short and long-term regulatory liquidity limits.
c. Inflation risk management.
d. Management of interest rate risk in local and foreign currencies.

Rate sensitivity is measured primarily using an analysis that quantifies the impact on earnings and the balance sheet of parallel movements in the real and nominal interest rate curve in Pesos and US dollars.

The Bank's internal management for measuring market risk is mainly based on analysing the management of the following three components:

1. trading portfolio
2. local financial management portfolio
3. foreign financial management portfolio

Treasury is responsible for managing the Bank's trading portfolios and ensuring that they remain within the loss limits determined, calculated and estimated by Market Risk Management. The trading portfolio (measured at fair value through profit or loss) consists mainly of those investments measured at fair value, free of any restriction on their immediate sale and which are often bought and sold by the Bank to sell them in the short term to benefit from short-term price movements. Financial management portfolios (measured at fair value through other comprehensive income) include all financial investments not considered in the trading portfolio.

The roles that concern the trading portfolio comprise the following:

a. applying Value-at-Risk (VaR) techniques to measure interest rate risk,
b. adjusting trading portfolios to market and the measurement of daily profit and loss from trading activities,
c. comparing the actual VAR with the established limits,
d. establishing loss control procedures for losses above predetermined limits, and
e. providing information on trading activities to the ALCO, other members of the Bank's management, and the Global Risk Department

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

The functions regarding financial management portfolios entail the following:

a. Applying sensitivity simulations (as explained below) to measure the interest rate risk of local currency activities and the potential loss predicted by these simulations, and
b. Providing the respective daily reports to the ALCO, other members of the Bank's Management, and the Global Risk Department.

Market risk - Trading portfolio

The Bank applies VaR methodologies to measure the trading portfolio's foreign currency risk and interest rate sensitivity. The Bank has a consolidated trading position comprising fixed income investments and foreign currency trading. This portfolio comprises bonds issued by the Central Bank of Chile, mortgage bonds and low risk locally issued corporate bonds. At the end of the year, the trading portfolio did not present investments in equity portfolios.

Historical simulation methodology is used to estimate the Bank's VaR, which consists of observing the behaviour of the profits and losses that would have occurred with the current portfolio if market conditions in a given historical period had prevailed and using this information to infer the maximum loss with a given level of confidence. The methodology accurately reflects the historical distribution of market variables and does not require any specific probability distribution assumptions. All VaR measures are intended to determine the distribution function for the change in the value of a given portfolio. Once this distribution is known, the percentile is calculated related to the required confidence level, which will equal the value at risk under these parameters. As calculated by the Bank, the VaR estimates the maximum expected loss of the market value of a given portfolio over a 1-day horizon with 99.00% confidence. This is the maximum one-day loss that the Bank could expect to incur on a given portfolio with a 99.00% confidence level. In other words, it is the loss that the Bank would expect to surpass only 1.0% of the time. The VaR provides a single estimate of market risk that is not comparable from one market risk to another. Returns are calculated using a time window of 2 years or at least 520 data points backwards in time from the VaR calculation reference date.

The Bank does not calculate three separate VaRs. Instead, a single VaR is calculated for the entire trading portfolio, further segregated by risk type. The VaR programme performs a historical simulation and calculates a Profit and Loss (G&P) statement for 520 data points (days) for each risk factor (fixed income, foreign exchange and equities). Then, the G&P of each risk factor is added together, and a consolidated VaR is calculated with 520 data points or days of data. Simultaneously, the VaR is calculated for each risk factor based on the individual G&P calculated for each factor. Furthermore, a weighted VaR is calculated similarly as described above but gives a higher weighting to the most recent 30 data points. As a result, the higher of the two VaRs is reported. The Bank uses VaR estimates to warn if statistically estimated losses in the trading portfolio exceed prudent levels and, therefore, certain predetermined limits are in place.

Limitations of the VaR model

In applying this methodology for calculation, no assumptions are made about the probability distribution of risk factors changes; instead, the historically observed changes are used to generate scenarios for the risk factors under which each portfolio item will be valued. The definition of a valuation function fj (xi) for each instrument j is necessary, preferably the same as the one used to calculate the market value and daily position results. This valuation function shall be applied to generate simulated prices for all instruments in each scenario.

Furthermore, the VaR methodology should be interpreted considering the following limitations:

1. Changes in market rates and prices may not be independent and identically distributed random variables, nor may they have a normal distribution. The normal distribution assumption, in particular, may underestimate the probability of extreme market movements.
2. The historical data used by the Bank may not provide the best estimate of the joint distribution of changes in risk factors in the future. Any modification of the data may be inappropriate. In particular, the use of historical data may fail to capture the risk of possible extreme and adverse market fluctuations regardless of the time frame used;
3. A 1-day time horizon may not fully capture those market risk positions that cannot be liquidated or hedged within one day. It would not be possible to liquidate or hedge all positions in one day;
4. the VaR is calculated at the close of business, but trading positions may change substantially during the trading day;
5. the use of a 99% confidence level does not consider or make any representation about losses that may occur beyond this confidence level, and
6. The VaR model does not capture all the complex effects of risk factors on the value of positions or portfolios and, therefore, may underestimate potential losses.

During the period ended June 30, 2022 and December 31, 2021, the Bank did not exceed the VaR limits of the trading portfolio's three components: fixed-income, equity, and foreign currency investments.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

The Bank performs back-testing on a daily basis and it is generally found that trading losses exceed the estimated VaR almost every 100 trading days. At the same time, a limit was set on the maximum VaR it is willing to accept on the trading portfolio. As of June 30, 2022 and December 31, 2021, the Bank has remained within its VaR threshold, even in instances where the actual VaR exceeded the estimated VaR.

The high, low and average levels for each component and each year were as follows:

VAR	As of June 30, 2022 US$ million	2021 US$ million
Consolidated:		
High	9.59	2.83
Low	2.04	1.52
Average	3.90	2.18
Fixed income investments:		
High	8.89	2.83
Low	2.06	1.53
Average	3.41	2.16
Variable income investments:		
High	0.04	-
Low	-	-
Average	0.14	-
Foreign currency investments		
High	3.33	1.75
Low	0.22	0.07
Average	1.04	0.79

Market risk – Local and foreign financial management

The Bank's financial management portfolio includes most of the Bank's assets and non-trading liabilities, including the credit/loan portfolio. For these portfolios, investment and funding decisions are heavily influenced by the Bank's commercial strategies (structural risk).

The Bank uses sensitivity analysis to measure the market risk of local and foreign currency (not included in the trading portfolio). The Bank conducts a scenario simulation which is calculated as the difference between the present value of the flows in the chosen scenario (curve with a parallel movement of 100 bps in all segments) and their value in the baseline scenario (current market). All items in local currency indexed to inflation (UF) are adjusted by a sensitivity factor of 0.57, representing a yield curve shift by 57 basis points in real rates and 100 basis points in nominal rates. The same scenario is conducted for net foreign currency positions and interest rates in US dollars. The Bank has also set limits on the maximum loss these interest rate movements can have on budgeted capital and net interest income for the year. To determine the consolidated limit, the foreign currency limit is added to the local currency limit for both the net financial loss limit and the capital loss and reserves limit, using the following formula:

Bounded limit = square root of a2 + b2 + 2ab, in which:

a: limit in national currency.
b: limit in foreign currency.
Since it is assumed that the correlation is 0. 2ab = 0.

Limitations of sensitivity models

The most important assumption is using a change of 100 basis points in the yield curve (57 basis points for real rates). The Bank uses a change of 100 basis points as sudden changes of this magnitude are considered realistic. In addition, the Global Risk Department has also established comparable country limits to compare, monitor and consolidate market risk by country in a realistic and orderly manner.

Furthermore, the methodology of sensitivity simulations should be interpreted considering the following limitations:

7. The scenario simulation assumes that the volumes remain on the Bank's Interim Consolidated Statements of Financial Position and are always rolled over at maturity, omitting the fact that certain credit risk considerations and prepayments may affect the maturity of certain items.

8. This model assumes an equal change across the entire yield curve of everything and does not consider different movements for different maturities.

9. The model does not consider the sensitivity of volumes resulting from changes in interest rates.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

10. Limits on budgeted finance income losses are calculated based on expected finance income for the year that cannot be obtained, which means that the actual percentage of finance income at risk could be higher than expected.

Market Risk - Financial Management Portfolio as of June 30, 2022, and December 31, 2021:

	As of June 30, 2022		As of December 31, 2021	
	Effect on financial income	Effect on capital	Effect on financial income	Effect on capital
Financial management portfolio - local currency (in MCh$)				
Loss limit	33,550	95,710	32,865	84,864
High	26,876	61,614	31,233	80,097
Low	20,356	39,957	13,694	41,653
Average	23,526	48,537	24,018	62,916
Financial management portfolio - foreign currency (in US$ million)				
Loss limit 32	41,495	47,028	36,619	34,991
High	9,713	33,388	8,545	32,205
Low	1,049	19,897	698	1,055
Average	5,324	28,662	3,733	17,615
Financial management portfolio - consolidated (in MCh$)				
Loss limit	33,550	95,710	32,865	84,864
High	28,699	74,314	25,709	78,259
Low	20,065	56,857	12,854	56,857
Average	24,610	67,632	21,041	69,577

Inflation risk

The Bank's assets and liabilities are indexed according to the Unidad de Fomento (UF) variation. The Bank has, in general, more assets than liabilities in UF. Therefore, moderate rises in inflation have a positive effect on repricing income, while a fall in the value of the UF has a negative impact on the Bank's margin. To manage this risk, the Assets and Liabilities Committee limits the difference between UF-denominated assets and liabilities, which may not exceed 30% of the Bank's interest-earning assets. This mismatch is managed on a day-to-day basis by Financial Management, and the limits are calculated and monitored by the Market Risk Division.

Market Risk items and their measurement

Market Risk Exposure is measured and monitored using the difference between the foreign currency asset and liability balances (net position) and the cash flows payable (associated with liability items) and cash flows receivable (associated with asset items) in the Trading and Banking Books, for a given period.

Foreign currency items and term mismatches are exposed to different adjustment factors, sensitivities and rate changes.

The Board of Directors of Banco Santander presented and approved the Market Risk Exposure Policy on a Standardised Basis.

The following risks will determine Market Risk Exposure:
a. Interest Rate Risk
b. Currency Risk
c. Readjustment Risk
d. Currency Options Risk

The following illustrates the market risk exposure according to the FMC and the Central Bank of Chile guidelines. The maximum exposure to long-term interest rate risk is 35% of regulatory capital and is approved by the Board of Directors. The maximum exposure to short-term interest rate risk is 30% of net interest and repricing income plus interest rate sensitive fees:

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Trading portfolio market risk		
Rate Risk Exposure	418,432	377,006
Currency Risk Exposure	12,634	8,089
Interest Rate Options Risk	-	-
Risk Currency Options	1,027	1,429
Total exposure of the trading portfolio	**432,093**	**386,524**
10% of the RWAs	3,769,680	3,577,035
Subtotal	4,201,773	3,963,559
Limit = Regulatory capital	6,128,175	5,114,609
Available margin	**1,926,402**	**1,151,050**
Short-term market risk of financial management portfolio		
Short-term Exposure to Interest Rate Risk	265,841	217,045
Exposure to Readjustment Risk	184,288	178,033
Short-term exposure to financial management portfolio	**450,129**	**395,078**
Limit = 35% net (net interest and adjustment income + interest rate-sensitive fees)	645,810	529,542
Available margin	**195,681**	**134,464**
Long-term market risk of financial management portfolio		
Long-term exposure to interest rate risk	1,247,659	1,221,762
Limit = 35% of Effective Equity	2,144,861	1,790,113
Available margin	**897,202**	**568,351**

IBOR Reform

In December 2020, the ICE Benchmark Administration Limited (IBA) launched a consultation on its intention to cease publication of non-USD LIBOR and USD LIBOR 1W and 2M tenors until December 31, 2021, and of all other USD LIBOR tenors after publication on June 30, 2023. The Bank has been working since 2019 on the transition to risk-free reference rates (hereafter also "RFR"), including the SOFR. In this context, the Bank's work plan includes the identification of the impacted customers, the impacted areas, the various risks to which the Bank is exposed, the determination of working teams for each risk, the involvement of senior management in a robust project governance plan and an action plan for each of the identified impacted/risk areas, which will enable us to meet the challenges imposed by the changes in benchmark rates. As of June 30, 2022, December 31, 2021, and 2020, the financial asset and liability exposures impacted by the IBOR reform are presented below:

	Credits and receivables from customers MCh$	Deposits MCh$	Financial instruments MCh$	Financial derivatives contracts (Assets) MCh$	Financial derivatives contracts (Liabilities) MCh$
31.12.2021	609,243	-	38,819	1,672,422	1,623,725
31.12.2020	362,331	582,979	200,301	614,035	483,789

The Bank has initiated its transition programme to IBOR focusing mainly on: i) Identifying the risks associated with the transition and defining mitigation actions, ii) Developing products benchmarked to the proposed replacement rates, iii) Developing transition capacity, through the renegotiation of existing LIBOR benchmarked contracts. Accordingly, in the latter half of 2021 and the first half of 2022, efforts have focused on preparing to offer products benchmarked to RFR indices, the second half of 2022 and during 2023 until the cessation of the index, work will focus on renegotiating existing LIBOR contracts to transition them to RFR indices. As of June 30, 2022, the financial asset and liability items impacted by the IBOR reform are loans and receivables from customers, deposits, financial instruments and derivative contracts.

To fulfil its functions, the Integrated Risk Committee works directly with the Bank's risk and control departments, whose joint objectives include:

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

a. To assess those risks which, due to their size, could compromise the Bank's solvency or which present potentially significant operational or reputational risks;

b. to ensure that the Bank has the means, systems, structures and resources following the best practices to implement the risk management strategy;

c. to ensure the integration, control and management of all the Bank's risks;

d. to implement consistent risk principles, policies and metrics across the Bank and its businesses;

e. to develop and implement a risk management model in the Bank so that risk exposure is properly integrated into the different decision-making processes;

f. to identify risk concentrations and mitigation alternatives, monitor the macroeconomic and competitive environment and quantify sensitivities and the foreseeable impact of different scenarios on risk positioning; and

g. to manage the Bank's structural liquidity, interest rate and exchange rate risks, as well as the Bank's own funds base.

In order to achieve the objectives mentioned above, the Bank (Management and Asset-Liability Committee) performs several activities related to risk management, which include: to calculate the risk exposures of the different portfolios and/or investments, considering mitigating factors (guarantees, netting, collateral, etc.); to calculate the expected loss probabilities of each portfolio and/or investments; to assign loss factors to new operations (rating and scoring); to measure the risk values of the portfolios and/or investments based on different scenarios by means of simulations.); to calculate the expected loss probabilities of each portfolio and/or investments; to assign loss factors to new transactions (rating and scoring); to measure the risk values of portfolios and/or investments against different scenarios through historical simulations; to set limits to potential losses based on the different risks incurred; to determine the potential impact of structural risks on the Bank's Consolidated Income Statements; to set limits and alerts to ensure the Bank's liquidity; and to identify and quantify operational risks by business lines and thus facilitate their mitigation through corrective actions. The Integrated Risk Committee is primarily responsible for monitoring compliance with the Bank's risk management policies and procedures and reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank.

Benchmark interest rate reform - phase 2

In 2013, IOSCO published the Principles for Financial Benchmarks (IOSCO Principles), setting standards for developing benchmarks. Subsequently, the FSB formed the Official Sector Steering Group (OSSG) to apply the IOSCO Principles to IBOR (Interbank Offered Rates) indices. Since then, central banks and regulators in several jurisdictions have organised working groups to recommend alternative indices to indices such as EONIA (Euro Overnight Index Average) and LIBOR (London Interbank Offered Rates). As of September 13, 2018, the European Central Bank's working group recommended that the euro short-term interest rate (€STR) should replace the EONIA. Accordingly, as of October 2, 2019, when the €STR became available, the EONIA changed its methodology to be calculated as the €STR plus a spread of 8.5 basis points. This change in the EONIA methodology was intended to facilitate the transition of the EONIA market to €STR before its final cessation on January 3, 2022.

On March 5, 2021, the Financial Conduct Authority (FCA) announced the final dates for the cessation of LIBOR:

a. On December 31, 2021, the publication of USD LIBOR (one-week and two-month maturities), CHF LIBOR (all maturities), GBP LIBOR (overnight, one-week, two-month and 12-month maturities), JPY LIBOR (overnight, one-week, two-month and 12-month maturities) and EUR LIBOR (all maturities) ceased.
b. On December 31, 2021, the calculation methodology for some LIBORs was amended to publish temporary synthetic LIBORs, which became non-representative: GBP LIBOR (1-month, 3-month and 6-month maturity) and JPY LIBOR (1-month, 3-month and 6-month maturity).
c. On June 30, 2023, the publication of USD LIBOR (overnight, 1 month, 3 months, 6 months and 12 months) will cease.

In October 2020, the International Swaps and Derivatives Association (ISDA) launched the protocol and supplement of substitute indices (from now on fallbacks) for IBORs (which came into force on January 25, 2021). It provided derivatives market participants with new fallbacks of LIBORs (among other IBORs, such as EURIBOR) for existing and new derivative contracts. Furthermore, on August 19, 2021, ISDA launched a new protocol that would allow institutions to incorporate a fallback to the EONIA as the applicable collateral rate in ISDA collateral arrangements (known as CSAs). To control the risks and address the different challenges generated by the transition, in 2019, the Corporate Department launched a global Santander programme. This IBOR transition programme enabled us to ensure that the risks linked to the process were identified and managed consistently, and appropriate measures were taken to mitigate them. The programme structure focuses on the following areas: Technology and Operations, Legal, Customer Relationship, Risk Management and Modelling, Conduct and Communication, and Accounting and Finance. In 2021, the programme focused on making all contractual, commercial, operational and technological changes necessary to address the transition from LIBOR and EONIA rates that have been discontinued in 2021.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

LIQUIDITY RISK

This refers to the possibility that an entity may not be able to meet its payment commitments or may have to resort to raising funds on burdensome terms or on terms that could damage its image and reputation.

Liquidity risk management

The Bank's approach to liquidity management is to ensure, to the extent possible, that it always has sufficient resources to meet its obligations as they fall due, under normal circumstances and stress conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. Accordingly, the Board sets limits on a minimum portion of maturing funds available to meet such payments and on a minimum level of interbank operations and other lending facilities that should be available to cover drawings at unexpected levels of demand, which is reviewed periodically by the Asset and Liability Committee (ALCO) whose functions include monitoring the necessary liquidity risk management strategies. This committee comprises 3 directors, 7 Bank management committee members, and 3 divisions (Financial Management, Treasury and Market Risk).

The setting of limits is conceived as a dynamic process that responds to the level of risk appetite deemed acceptable by the Bank and its entities.

The system of limits is sufficiently robust to allow the level of exposure each institution incurs to liquidity risks to be known at all times.

Besides the limits, the Bank includes alert indicators by the concentration of counterparties, type of products, and maturities in its management. To diversify the sources of funding and their maturity structure.

The Bank monitors its liquidity position daily, determining the future flows of its inflows and outflows. Furthermore, stress tests are performed at the end of each month, using a variety of scenarios covering both normal market conditions and market fluctuation (stress) conditions.

The Bank has a structure of internal liquidity limits that Financial Management and the Treasury must respect. Market Risk Management calculates and monitors the consumption of internal limits, verifies compliance with them and communicates their status to senior management and the Board of Directors.

At the beginning of each calendar year, these limits are proposed by Market Risk Management, approved locally at the ALCO and then ratified at the highest level.

Liquidity limits and early warning indicators, and internally defined management measures can be differentiated into the following three groups:

a. Limits associated with concentration and mismatches of cash flows and liquidity of the Bank's operations.
b. Liquidity Management Tools, called Structural Liquidity or Funding Table, are used to determine the Bank's structural liquidity position and enable its active management as an essential mechanism to ensure the funding of its assets under optimal conditions permanently.
c. Early warning indicators are linked with concentration risks and as tools for detecting and anticipating potential liquidity stress situations and, if necessary, activating the Liquidity Contingency Plan.

Market Risk Management establishes and updates the Liquidity Management Policy (LMP) contents. Reviews and possible updates are conducted once a year. Nevertheless, it may be updated at the request of any areas affected by the LMP that have identified the need for modification. The Board approves the contents of the LMP of Directors.

Market Risk Management provides all the necessary tools for the statistical analysis required by local liquidity regulations. It also assesses whether the models used are valid at least once a year. The Board of Directors must approve the conclusions of this analysis.

In periods of normal liquidity, Financial Management applies policies and makes arrangements to keep the Bank within internal and regulatory limits.

If a crisis has been identified, even at its mildest level, the Liquidity Crisis Committee applies the necessary policies to deal with potential liquidity shortfalls or restrictions, creates contingency plans to quickly manage emergencies, and reports such situations to senior management and the respective committees.

Liquidity risk measurement and control

a. Time-limit mismatches subject to regulatory limits

The Regulatory Liquidity Ratio measures and limits the mismatches of net income flows relative to capital. Under current regulations, the 30-day mismatch cannot exceed one time the Bank's core capital for both domestic and foreign currency, and the 90-day mismatch cannot exceed two times. As of June 30, 2022, and December 31, 2021, the mismatches are:

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

	As of June 30, 2022 %	As of December 31, 2021 %
30-day	1	1
30-day foreign currency	18	2
90-day	14	2

b. Monitoring indicators and liquidity ratios subject to regulatory limits

An important component of liquidity risk management is High-Quality Liquid Assets (HQLA). These are balance sheet assets, mainly consisting of financial investments that are not pledged as collateral, have low credit risk, and have a deep secondary market.

According to Basel III standards, these assets are divided into three tiers, with Tier 1 assets being the most liquid and Tier 3 the least liquid. Level 1 assets are mostly composed of bonds from the Republic of Chile, the Central Bank of Chile, and the United States Treasury Department.

HQLA	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Tier 1: available	6,133,539	1,106,152
Tier 1: fixed income	9,069	1,223,824
Tier 2: fixed income	-	9,792
Total	**6,142,608**	**2,339,768**

c. Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) measures liquid assets over 30-day net cash outflows. It is used by banks globally as part of the Basel III standards. Since 2019, Chilean banks have been required to have a minimum level of 60%, which is to gradually increase to 100% by 2022. A minimum level of 80% was required for the financial year of 2021.

The objective of the LCR is to promote the short-term resilience of banks' liquidity risk profiles. To this end, the LCR ensures that these organisations have an adequate pool of unencumbered High-Quality Liquid Assets, which can be easily and immediately converted into cash in the private markets to cover short-term liquidity needs.

Liquidity coverage ratio	As of June 30, 2022 %	As of December 31, 2021 %
LCR	153	149

Banco Santander Chile's LCR indicator was well above the minimum required for 2021 and already above the 100% required for 2022. This reflects the conservative liquidity policies imposed by the Board of Directors through the Assets and Liabilities Committee.

d. Net Stable Funding Ratio (NSFR)

This indicator is required by Basel III and provides a sustainable maturity structure of assets and liabilities so that banks maintain a stable funding profile concerning their activities.

The Central Bank and the FMC defined a minimum NSFR level of 60% by 2022, rising to 100% by 2026.

Net stable funding ratio	As of June 30, 2022 %	As of December 31, 2021 %
NSFR	108.0	110.8

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

e. Information on liquidity position per the requirements of the Central Bank of Chile

a. Maturity mismatches

The Central Bank of Chile published on March 8, 2022 Rules on the Management and Measurement of the Liquidity Position of Banking Companies which modernises liquidity regulation, aligning the published regulatory requirements of the FMC in line with the Basel III standards.

According to the Central Bank, the liquidity position is measured and monitored through the difference between cash flows payable, which are associated with liability and expense account items, and cash flows receivable, which concern asset and income account items, for a given period or time frame, referred to as the maturity mismatch.

The liquidity policy on an Adjusted Basis was presented and approved by the Board of Directors of Banco Santander Chile.
Maturity mismatch calculations are performed separately for domestic and foreign currencies.

Maturity mismatches shall be made in the following time frames:

a. First time frame: up to 7 days inclusive
b. Second time frame: between 8 days and 15 days inclusive
c. Third time frame: between 16 and 30 days inclusive
d. Fourth time frame: between 31 days and 90 days inclusive

	As of June 30, 2022					
	Individual			Consolidated		
	up to 7 days MCh$	up to 15 days MCh$	up to 30 days MCh$	up to 7 days MCh$	up to 15 days MCh$	up to 30 days MCh$
Cash flow to be received (assets) and income	9,030,982	1,325,559	1,404,197	9,090,272	1,305,811	1,396,812
Cash flow payable (liabilities) and expenses	10,205,477	1,563,759	1,517,460	10,289,700	1,573,659	1,537,418
Mismatch	(1,174,495)	(238,200)	(113,263)	(1,199,428)	(267,848)	(140,606)
Mismatch subject to limits			(1,525,957)			1,607,881
Limits:						
1 times the capital			3,715,466			3,715,466
Available margin			2,189,509			2,107,585
% Used			41%			43%

	As of December 31, 2021					
	Individual			Consolidated		
	up to 7 days MCh$	up to 15 days MCh$	up to 30 days MCh$	up to 7 days MCh$	up to 15 days MCh$	up to 30 days MCh$
Cash flow to be received (assets) and income	8,075,378	2,192,356	2,098,212	8,239,806	2,156,255	2,052,735
Cash flow payable (liabilities) and expenses	10,499,423	1,558,043	1,717,827	10,655,776	1,557,680	1,714,384
Mismatch	(2,424,045)	634,313	380,385	(2,415,970)	598,575	338,351
Mismatch subject to limits			(1,409,346)			(1,479,044)
Limits:						
1 times the capital			3,359,436			3,359,436
Available margin			1,950,090			1,880,392
% Used			42%			44%

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

e. Composition of funding sources

The main sources of third-party funding are as follows:

Main sources of funding	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Deposits and other demand liabilities	15,725,629	17,900,938
Time deposits and other term equivalents	11,893,299	10,131,055
Interbank borrowing	9,243,716	8,826,583
Issued debt instruments	9,311,347	8,989,528
Total	**46,173,991**	**45,255,636**

The Central Bank has statutory powers allowing it to demand banks to hold reserves of up to 40% on average for demand deposits and up to 20% for time deposits to implement monetary measures. Furthermore, as the aggregate amount of demand deposits exceeds 2.5 times the bank's regulatory capital, the bank must maintain a 100% 'technical reserve' against them in bonds and Central Bank's notes.

As of June 30, 2022 and December 31, 2021, Santander was required by the Central Bank to maintain a technical reserve of MCh$2,050,493 and MCh$4,278,104, representing 7.7% and 15.3% of deposits, respectively.

The volume and composition of liquid assets are presented in item 2 above.

The liquidity coverage ratio is presented in item 3 above.

f. Maturity analysis of financial liabilities

The remaining contractual maturities of financial liabilities are provided in Note 45.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

OPERATIONAL RISK

Operational risk is defined as the risk of loss due to defects or failures of internal processes, employees and systems or due to external events. It covers risk categories such as operational incidents, cloud computing, cyber security, business continuity, and strategic and non-strategic outsourcing.

Operational risk is generated in all business and support areas and is inherent in all products, activities, processes and systems. For this reason, all employees are responsible for managing and controlling the operational risks generated by their activities. Our operational risk control and management model is based on a continuous process to identify, assess and mitigate risk sources, whether or not they have materialised, ensuring that risk management priorities are properly established.

Operational risk management

The operational risk model regulates the necessary elements for adequate management and control of operational risk, aligned with compliance with advanced regulatory standards and best management practices, and includes the following phases:

1. strategy and planning;
2. identification, assessment and monitoring of risks and internal controls;
3. implementation and monitoring of mitigation measures;
4. availability of information, adequate reporting and escalation of relevant issues.

The main operational risk tools used are:

1. Internal events database. Recording operational risk events with financial impact (all losses are recorded, regardless of their amount) or non-financial impact (such as the regulatory impact on customers and/or services). This information:
   a. allows root-cause analysis;
   b. raises awareness of the risks;
   c. enables the escalation of relevant operational risk events to the senior management of the Risk division with maximum immediacy;
   d. facilitates regulatory reporting;

1. Self-assessment of operational risks and controls. A qualitative process that assesses the main operational risks related to each function, the state of the control environment and their assignment to the different functions within the Bank, using the judgement and experience of a panel of experts from each function.
   The objective is to identify and assess material operational risks that could prevent business or support units from achieving their objectives. Once the risks and the internal controls that mitigate them have been assessed, mitigating measures are identified if risk levels are above the tolerable level.
   This process integrates specific operational risk reviews that allow for a cross-cutting identification of risks, especially technological risks, fraud, supplier risks and factors that could lead to other operational risks and specific regulatory non-compliance.
2. External events database. Quantitative and qualitative information of external operational risk events. The database allows for a detailed and structured analysis of relevant events in the sector, the comparison of the loss profile, and the proper preparation of self-assessment exercises and scenario analysis.
3. Analysis of operational risk scenarios. Its objective is to identify events with an extremely low probability of occurrence that could generate significant losses for the Bank and establish appropriate mitigation measures through the assessment and expert opinion of the business lines and risk managers.
4. A statement establishing the Bank's commitment to control and limit non-financial risk events that lead or could lead to financial losses; fraud events; operational and technological incidents; legal and regulatory breaches; conduct issues, or reputational damage. Although a certain volume of losses is expected, unexpected high severity losses due to a failure of controls are not acceptable.
5. Internal audit, external audit and regulators' recommendations. They provide relevant independent information on inherent and residual risk and identify areas for improvement in controls and processes.
6. Capital model: a model that captures the Bank's risk profile, based primarily on information gathered from the internal loss database, external data and scenarios. The main application of the model is to determine the economic capital for operational risk and the estimation of expected and stressed losses, which are used in the operational risk appetite.
7. Other specific tools to further analyse and manage operational risks include the assessment of new products and services, the management of business continuity plans, the review and update of the perimeter and quality review processes of the operational risk programme.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

The Bank's operational risk management and reporting system support programmes and tools focusing on governance, risk and compliance. It provides information for management and reporting and helps improve decision-making in operational risk management by consolidating information, simplifying the process, and avoiding duplication.

Operational continuity plan

Digital transformation is revolutionising the way banks operate, presenting new business opportunities while also giving rise to a wide range of emerging risks, such as technology risks, cyber risks and an increasing reliance on suppliers, which increases exposure to events that may affect the delivery of services to our customers.
The Bank is highly committed to ensuring robust control of the environment as determined by the best industry standards. This seeks to strengthen our operational resilience to potentially disruptive events, thereby ensuring adequate service delivery to our customers and system stability.
One of the main pillars is a business continuity management system aimed at ensuring the continuity of business processes in the event of a disaster or major incident. This process identifies the potential impacts that threaten the entity, supplying the correct protocols and governance to ensure an effective response capability. Its main objectives are:

a. To protect the integrity of people in a contingency situation.
b. To ensure that core functions are performed, and the impact on service delivery to our customers is minimised in contingency events.
c. To meet the Bank's obligations to its employees, customers, shareholders and other stakeholders.
d. To comply with regulatory obligations and requirements.
e. To minimise the entity's potential financial losses and impact on the business.
f. To protect the brand image, credibility and trust in the entity.
g. To reduce operational effects by providing effective procedures, priorities, and strategies for recovering and restoring business operations following a contingency.
h. To contribute to stabilising the financial system.

The pandemic challenged the business continuity planning frameworks and strategies. While some of the protocols had to be adapted, this crisis demonstrated that the Bank has a robust Business Continuity Management system.

Relevant mitigation measures

The Bank, through internal operational risk management tools and other external sources of information, implements and monitors mitigation measures related to the main sources of risk.
Business transformation and digitalisation bring new risks and threats, such as increased payment fraud and origination (credit) fraud. We have improved control mechanisms and designed new products to mitigate these risks.
Strong authentication processes in the customer enrolment process and the reinforcement of anti-fraud alerts in origination are increasingly widespread resources to mitigate the risk of fraud.
In the case of cards, the use of chip and PIN cards in shops and ATMs, two-step authentication with one-time passwords (dynamic verification passwords), reinforced security at ATMs through the incorporation of physical protection and anti-skimming elements, as well as improvements in the logical security of the devices have become widespread.
In the case of internet banking, verification of online banking transactions with a second security factor of one-time passwords, implementation of specific protection measures for mobile banking, such as identification and registration of customer devices, monitoring of the security of the e-banking platform to prevent attacks on the systems, among others.

Cybersecurity

Cybersecurity threats are expected to increase. The financial sector is expected to be one of the main targets. With the increased reliance on digital systems, cybersecurity is one of the main non-financial business risks. Therefore, our goal is to make the Bank a cyber-resilient organisation that can quickly resist, detect, and respond to cyber-attacks by constantly evolving and improving its defences.

In this area, the Bank continues to develop its control and monitoring framework in line with the best international practices.

Outsourcing of services

Consistent with our digitalisation strategy, the Bank aspires to present its customers with the best solutions and products on the market. This implies increasing services provided by third parties and the intensive use of new technologies such as cloud services. In addition, due to increasing cyber risks and regulatory requirements, we have updated and strengthened the supplier management framework, internal control framework and risk culture to ensure that risks associated with third-party procurement are properly assessed and managed.

NOTE 47 - RISK MANAGEMENT AND REPORTING, continued

The Bank has identified the suppliers that could present a higher level of exposure for our operations and the services provided to our customers. Accordingly, it has reinforced the monitoring of these suppliers to ensure that:

a. They have an appropriate control environment, depending on the level of risk of their service.
b. Business continuity plans are in place to ensure service delivery in case of disruptive events.
c. They have controls to protect sensitive information processed during service provision.
d. Contracts and agreements with third parties include the necessary clauses to protect the interests of the Bank and our customers while at the same time covering existing legal obligations.
e. There are exit strategies, including service reversion or migration plans, in the case of services with a strong impact on business continuity and high replacement complexity.

Insurance

To address operational risk and other risk types generated by the Bank's own operations, insurance has been procured for property damage, general civil liability, fraud, expenses arising from cybersecurity breaches, and third-party claims against executives, among others.

Exposure to net loss, gross loss and gross loss recovery per operational risk event

	As of June 30, 2022 MCh$	As of December 31, 2021 MCh$
Gross loss and expenses for operational risk events in the period		
Internal fraud	43	51
External fraud	1,417	5,469
Labour practices and business security	3,411	4,089
Customers, products and business practices	101	256
Damage to physical assets	71	236
Business interruption and system failures	43	177
Execution, delivery and process management	1,425	11,185
Subtotal	**6,511**	**21,463**
Expense recoveries for operational risk events in the period		
Internal fraud	-	568
External fraud	73	3,975
Labour practices and business security	414	874
Customers, products and business practices	57	243
Damage to physical assets	61	8
Business interruption and system failures	18	33
Execution, delivery and process management	180	2,934
Subtotal	**803**	**8,635**
Net loss from operational risk events	**5,708**	**12,828**

NOTE 48 - INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS

The Bank defines capital risk as that which the Bank or any of its companies will incur in insufficient quantity and/or quality of capital necessary to: meet the minimum regulatory requirements to operate as a bank; meet market expectations regarding its creditworthiness; and support the growth of its business and any strategic opportunities that may arise, under its strategic plan.

The objectives in this respect include in particular:

a. To meet internal capital and capital adequacy targets.
b. To comply with regulatory requirements.
c. To align the Bank's strategic plan with the capital expectations of external stakeholders (rating agencies, shareholders and investors, customers, supervisors, etc.).
d. To support business growth and any strategic opportunities that may arise.

The Bank has a capital adequacy position that exceeds regulatory requirements.
Capital management optimises value creation in the Bank and its business segments. The Bank continuously assesses its risk-return ratios through its core capital, effective net worth, economic capital and return on equity. Regarding capital adequacy, the Bank conducts its internal process based on the standards of the FMC, which are in force as of December 1, 2021 (Basel III). Economic capital is the capital required to bear the full risk of doing business at a given level of solvency.
Capital is managed according to the risk environment, Chile's economic performance and the economic cycle.
The respective Committee may amend our existing capital policies to address changes in the above risk environment.

Capital risk management

The Bank has an Executive Capital Committee which is responsible for overseeing, authorising and assessing all aspects of capital and solvency. The Board of Directors has deferred to the ALCO the knowledge and assessment of the capital levels and returns in line with the Bank's strategy. In addition, the Integrated Risk Committee monitors and is responsible for the limits of primary and secondary metrics based on risk appetite.
Capital management is based on a Capital Framework designed to ensure that the level of capital, structure and composition are appropriate at any point in time considering the Bank's risk profile and under different scenarios. It warrants the adherence to the minimum regulatory requirements, the risk appetite and the Recovery Plan, and that these frameworks align with the interests of all stakeholders while supporting the growth strategy determined by the Bank.
The capital model defines the functional and governance aspects of capital planning, budget execution and monitoring, capital adequacy analysis, capital measurement, and capital reporting and disclosure. In addition, this model covers the main capital management activities:

a. Establish the Bank's solvency and capital contribution targets aligned with minimum regulatory requirements and internal policies to ensure a strong level of capital, consistent with the Bank's risk profile and efficient use of capital to maximise shareholder value.

b. Development of a capital plan to meet these objectives consistent with the strategic plan.

c. Capital adequacy assessment to ensure that the capital plan is consistent with the Bank's risk profile and risk appetite (also stress scenarios).

d. Capital budget development as part of the Bank's budget process.

e. Monitoring and controlling budget execution and development of action plans to correct any deviations from the budget.

f. Calculation of capital metrics.

g. Internal capital reporting and reporting to supervisory authorities and the market.

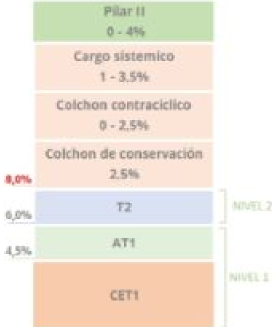
NOTE 48 - INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS, continued

The Bank has also developed the necessary policies to manage and fulfil capital management strategies and objectives, including Capital Adequacy Policy, Capital Planning Policy, Capital Impairment Management Policy, Capital Monitoring Policy, and Dividend Policy.

BASEL III Implementation

A new version of the General Banking Law (LGB) was published in January 2019. Among the most relevant changes is adopting the capital levels established in the Basel III standards. In 2020, the final versions of the rules governing the new capital models for Chilean banks were published.

According to the new General Banking Law (updated through Law No 21,130), the minimum capital requirements have increased in quantity and quality. Total regulatory capital remains at 8% of risk-weighted assets but includes credit, market and operational risk. Minimum Tier 1 capital increased from 4.5% to 6% of risk-weighted assets, of which up to 1.5% can be Additional Tier 1 (AT1), either in the form of preferred shares or bonds with no fixed maturity which can be convertible into shares. Tier 2 capital is now set at 2% of risk-weighted assets.



Additional capital requirements are incorporated through a conservation buffer of 2.5% of risk-weighted assets. Furthermore, in coordination with the FMC, the Central Bank may establish an additional countercyclical buffer of up to 2.5% of risk-weighted assets consistent with the FMC. Both buffers should be composed of core capital.

In addition, the FMC was empowered, subject to the favourable agreement of the Council of the Central Bank of Chile (BCCh), to define by regulation the new methodologies for calculating assets weighted by credit, market and operational risk; the conditions for issuing hybrid AT1 instruments; the determination and capital charges for local systemically important banks; prudential discounts to regulatory capital; and to require additional measures, including higher capital, for banks with deficiencies in the supervisory capital assessment process (Pillar II).

Pillar II aims to ensure that banks maintain a level of capital commensurate with their risk profile and encourage the development and use of appropriate processes for monitoring and managing the risks they face. To this end, banks are responsible for developing an internal capital adequacy assessment process. Supervisors should review their internal strategies and assessments and intervene early when they are not satisfied with the outcome of this process. As a result, supervisors may require additional capital over and above the minimum requirement to ensure a sufficient level to address risks, especially in adverse credit cycles. The result will be a simplified report with the conclusions of the self-assessment process, which in its first version in 2021 will only include credit risk, and in 2022 will only include Pillar I risks. From 2023 a full report will be required.

Pillar III promotes market discipline and financial transparency by disclosing meaningful and timely information, allowing information users to understand the risk profile of local banking institutions and their capital structure, thereby reducing information asymmetries. Banks must publish the first Pillar 3 document with information for the quarter of January - March 2023.

The new rules for calculating risk-weighted assets came into force in December 2021. Therefore, the Bank implemented the rules through a multidisciplinary group, which conducted the required developments, including applying the files designed by the regulator for this purpose.

Capital metrics

Minimum capital requirement

Under the General Banking Law, a bank must have a minimum of UF800,000 (approximately MCh$ 26,469 or US$28 million as of June 30, 2022) of paid-in capital and reserves, calculated under the FMC Rules.

NOTE 48 - INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS, continued

Capital requirement

According to the General Law of Banks, banks must maintain regulatory capital of at least 8% of risk-weighted assets, net of required credit loss, as well as a paid-in capital and reserve requirement ('core capital') of at least 3% of total assets, also net of credit loss. Regulatory and core capital is calculated based on the Consolidated Financial Statements prepared under the CASB issued by the FMC. As Santander is the result of a merger between two predecessors with a relevant market share in the Chilean market, a minimum regulatory capital to risk-weighted assets ratio of 11% is currently required.

Regulatory capital is defined as the aggregate of:

a. a bank's paid-up capital and reserves, excluding capital attributable to foreign subsidiaries and branches or core capital;
b. its subordinated bonds, valued at their placement price (but decreasing by 20.0% for each year during the period beginning six years before maturity), for up to 50.0% of their basic capital; and
c. its voluntary provisions for credit loss of up to 1.25% of risk-weighted assets.

On August 21, 2020, Circular No 2,265 indicating the new treatment was published, in which the amounts of loans guaranteed by the Chilean Treasury, CORFO and FOGAPE are incorporated into category 2 of the risk-weighted asset classification, and consequently their credit risk weighting is reduced from 100% to 10%.

From December 1,2021, the definition of regulatory capital changed and is defined as follows:

a. Paid-up capital of the bank in terms of subscribed and paid-up ordinary shares;
b. Surcharge paid for the instruments included in this capital component;
c. Reserves, both non-earnings and earnings, for depreciation of bonds with no fixed maturity and forfeiture of bonds with no fixed maturity;
d. Items of 'other comprehensive income accrued';
e. Retained earnings from prior years, profit (loss) for the year, net of provisions for minimum dividend, the repricing of bonds with no fixed maturity and interest and/or dividend payments on issued regulatory capital financial instruments.
f. Non-controlling interest as indicated in the Compendium of Accounting Standards (CASB).

NOTE 48 - INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS, continued

Total assets, risk-weighted assets and components of effective equity

Item No	Total assets, risk-weighted assets and components of effective equity under Basel III - Item description	Global consolidated 30/06/2022 MCh$	Global consolidated 31/12/2021 MCh$
1	Total assets according to the statement of financial position	70,884,440	63,971,270
2	Investment in unconsolidated subsidiaries	-	-
3	Assets discounted from regulatory capital, other than item 2	15,531,136	10,014,280
4	Credit equivalents	3,284,231	2,795,989
5	Contingent loans	4,906,326	4,605,506
6	Assets arising from the intermediation of financial instruments	12,756	25,731
7	**= (1-2-3+4+5-6) Total assets for regulatory purposes**	**63,531,105**	**61,332,754**
8.a	Credit risk-weighted assets, estimated according to standardised methodology (CRWAs)	28,504,422	29,019,933
8.b	Credit risk-weighted assets, estimated according to internal methodologies (CRWAs)	-	-
8	Market risk-weighted assets (MRWAs)	6,035,968	5,599,484
10	Operational risk-weighted assets (ORWAs)	3,830,580	3,316,895
11.a	**= (8.a/8.b+9+10) Risk Weighted Assets (RWAs)**	38,370,970	37,936,312
11.b	**= (8.a/8.b+9+10) Risk-weighted assets, after application of the output floor (RWAs)**	**38,370,970**	**37,936,312**
12	Shareholders' equity	3,588,420	3,400,220
13	Non-controlling interest	102,293	94,360
14	Goodwill	-	-
15	Excess of minority investments	-	-
16	**= (12+13-14-15) Common equity tier 1 (CET1) equivalent**	**3,690,713**	**3,494,580**
17	Additional deductions to Common Equity Tier 1, other than item 2	-	-
18	**= (16-17-2) Common Equity Tier 1 (CET1)**	**3,690,713**	**3,494,580**
19	Voluntary (additional) provisions allocated as Additional Tier 1 capital (AT1)	-	-
20	Subordinated bonds imputed as Additional Tier 1 capital (AT1)	383,710	364,262
21	Preference shares imputed to Additional Tier 1 capital (AT1)	-	-
22	Bonds without fixed maturity imputed to Additional Tier 1 capital (AT1)	639,996	592,468
23	Discounts applied to AT1	-	-
24	**= (19+20+21+21+22-23) Additional Tier 1 capital (AT1)**	**1,023,706**	**956,730**
25	**= (18+24) Tier 1 capital**	**4,714,419**	**4,451,310**
26	Voluntary (additional) provisions imputed as Tier 2 capital (T2)	258,000	258,000
27	Subordinated bonds imputed as Tier 2 capital (T2)	1,241,637	1,067,521
28	**= (26+27) Equivalent Tier 2 capital (T2)**	**1,499,637**	**1,325,521**
29	Discounts applied to T2	-	-
30	**= (28-29) Tier 2 capital (T2)**	**1,499,637**	**1,325,521**
31	**= (25+30) Effective equity**	**6,214,056**	**5,776,831**
32	Additional core capital required to build up the conservation buffer	318,066	294,249
33	Additional core capital required for the constitution of the cyclical buffer	-	-
34	Additional core capital required for systemically rated banks	-	-
35	Additional capital required for the assessment of the adequacy of effective equity (Pillar 2)	-	-

NOTE 48 - INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS, continued

Basel III solvency and compliance indicators (in % with two decimals)

Item No	Solvency indicators and Basel III compliance indicators (in % with two decimals) (*)	Global consolidated 30/06/2022 %	Global consolidated 31/12/2021 %
1	**Leverage indicator (T1_I18/T1_I7)**		
1.a	Leverage indicator to be met by the bank, considering the minimum requirements.	5.81%	5.70%
2	**Core capital indicator (T1_I18/T1_I11.b)**		
2.a	Indicator of core capital to be met by the bank, considering the minimum requirements.	9.62%	9.21%
2.b	Capital buffers deficit	0.00%	0.00%
3	**Tier 1 capital indicator (T1_I25/T1_I11.b)**		
3.a	Tier 1 capital indicator to be met by the bank, considering the minimum requirements.	12.29%	11.73%
4	**Effective net worth indicators (T1_I31/T1_I11.b)**		
4.a	Effective net worth indicator that the bank must meet, considering the minimum requirements.	8.00%	8.00%
4.b	Effective net worth indicator to be met by the bank, considering the Article 35 bis charge, if applicable	9.50%	9.50%
4.c	Effective net worth indicator to be met by the bank, considering minimum requirements, conservation buffer and countercyclical buffer	10.90%	10.90%
5	**Solvency rating**		
	Compliance indicators for solvency		
6	**Voluntary (additional) provisions charged to Tier 2 capital (T2) in relation to CRWAS (T1_I26/ (T1_I8.a or I8.b))**	0.91%	0.89%
7	**Subordinated bonds imputed in Tier 2 capital (T2) relative to core capital.**	33.64%	30.55%
8	**Additional Tier 1 capital (AT1) in relation to core capital (T1_I24/T1_I18)**	27.74%	27.38%
9	**Voluntary (additional) provisions and subordinated debentures that are imputed to Additional Tier 1 (AT1) capital in relation to RWAs (T1_I19+T1_I20 / T1_I11.b)**	1.00%	0.96%

NOTE 48 - INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS

Annex No 5 of chapter C-1 CASB is detailed under the instruction issued in circular No 2305 of February 16, 2022 by the Financial Market Commission, valid until December 31, 2021. Under the current version of the CASB, for the quarterly closures of March, June and September 2022.

The levels of Core Capital and Effective Equity at the end of each financial year are as follows:

	Consolidated assets			Risk-weighted assets (***)		
	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance sheet assets (net of provisions)						
Cash and deposits in banks	2,890,381	2,881,557	2,803,288	-	-	-
Cash in the process of collection	507,463	390,272	452,963	118,929	164,268	173,466
Debt financial instruments for trading	83,899	73,348	133,718	15,543	11,492	14,655
Repurchase and securities lending agreements	-	-	-	-	-	-
Financial derivative contracts (*)	3,284,231	2,795,989	2,742,701	2,497,222	2,013,587	1,602,495
Interbank loans, net	12	428	18,920	12	428	15,250
Credits and receivables from customers	37,215,677	35,675,569	33,413,429	29,908,301	28,377,711	26,651,340
Debt financial instruments to OCI	5,945,398	5,803,138	7,162,542	324,450	257,234	618,908
Financial instruments at amortised cost	4,581,663	4,380,680	-	458,166	438,068	-
Investment in companies	41,257	35,934	10,770	41,257	35,934	10,770
Intangible assets	93,326	95,411	82,537	93,326	95,411	82,537
Fixed assets	173,857	190,291	187,240	173,857	190,291	187,240
Right of use assets	180,136	184,529	201,611	180,136	184,529	201,611
Current taxes	8,304	121,533	-	830	12,153	-
Deferred taxes	321,619	759,699	538,118	32,162	75,970	53,812
Other assets (**)	1,380,326	1,301,415	1,236,376	1,336,953	1,135,307	1,233,016
Off-balance-sheet assets						
Contingent loans	4,973,641	4,736,018	4,378,214	2,923,107	2,788,380	2,615,644
Total	**61,681,190**	**59,425,811**	**53,362,427**	**38,104,251**	**35,780,763**	**33,460,744**

(*) 'Financial derivative contracts' are presented at their 'Credit Risk Equivalent' value under Chapter 12-1 of the Updated Compilation of Standards, issued by the Superintendency of Banks and Financial Institutions.
(**) On March 30, 2020, the FMC published Circular No. 2248, which indicates that the FMC has authorised the presentation of net derivative positions and guarantees granted to third parties under bilateral netting agreements recognised by the Central Bank of Chile to calculate capital adequacy assets.
(***) On August 21, 2020, Circular No 2.265 indicating the new treatment was published, in which the amounts of loans guaranteed by the Chilean Treasury, CORFO and FOGAPE are incorporated into category 2 of the risk-weighted asset classification, and consequently, their credit risk weighting was reduced from 100% to 10%.

	Issue			Ratio		
	As of June 30, 2022	As of December 31, 2021	As of January 1, 2021	As of June 30, 2022	As of 31 December 2021	As of January 1, 2021
	MCh$	MCh$	MCh$	%	%	%
Core Capital	3,588,420	3,400,220	3,567,916	5.82%	5.72	6.69
Regulatory capital	5,574,059	5,184,363	5,143,843	14.63%	14.49	15.37

NOTE 49 - SUBSEQUENT EVENTS

In July 2022, Banco Santander Chile announced that it will issue four series of senior debt bonds worth around US$ 340 million in both UF and Chilean pesos, with different maturities, to finance general corporate purposes. This operation corresponds to bond series that had previously been approved by the Financial Market Commission (FMC) but had not yet been placed in the market.

In July 2022, the Board of the Central Bank of Chile has decided to implement a programme of foreign exchange intervention and preventive provision of liquidity in dollars, for an amount of up to US$ 25 billion, starting on Monday July 18 and ending on September 30, 2022, in order to facilitate the adjustment of the Chilean economy to uncertain and changing domestic and external conditions.

On July 25, 2022, at an Extraordinary Shareholders' Meeting of Santander SA Sociedad Securitizadora, the shareholders approved an increase in the share capital currently amounting to $1,216,769,815, increasing it to $1,726,769,815, divided into 280 ordinary, registered shares of the same series and without nominal value. The proposed capital increase, which amounts to $510,000,000, does not involve an issue of shares.

On July 25, 2022, the Directors and Audit Committee approved these Interim Consolidated Financial Statements.

Subsequent to the approval of these Interim Consolidated Financial Statements, on July 27, 2022, at an extraordinary meeting of the Bank's Board of Directors, it was approved the appointment of Mr. Román Blanco Reinosa as Chief Executive Officer of the Bank as of August 1, 2022, replacing Mr. Miguel Mata Huerta.

There are no other subsequent events to be disclosed that occurred between July 1, 2022 and the date of issue of these Interim Consolidated Financial Statements.

JONATHAN COVARRUBIAS H. **Chief Accounting Officer**	**MIGUEL MATA HUERTA** **Chief Executive Officer**

Santander

Exhibit 99.2

Banco Santander Chile

Management Commentary
As of June 30, 2022

INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT COMMENTARY FINANCIAL REPORT
(A free translation from the original in Spanish)

Santiago, July 25, 2022

To the Shareholders and Directors
Banco Santander Chile

In connection with our review of the consolidated interim financial statements of Banco Santander Chile and its subsidiaries as of June 30, 2022, and 2021, and for the six-month periods then ended, on which we issued our report without exception dated July 25, 2022, we have reviewed the accounting information included in the Management Commentary Financial Report accompanying such consolidated interim financial statements.

Management's Responsibility

Management is responsible for attaching a Management Commentary Financial Report to the aforementioned consolidated interim financial statements, prepared in accordance with the standards and instructions issued by the Financial Market Commission (CMF), established in Chapter C-2 of the Compendium of Accounting Standards for Banks.

Auditor's Responsibility

The Management Commentary Financial Report has been subject to the procedures applied in the review of the accompanying consolidated interim financial statements and certain additional procedures, including:

- A general understanding of the internal control structure and governance established for the preparation of the Management Commentary Financial Report.
- Meetings with the personnel responsible for the accounting, financial control, and operations of the Bank, to discuss the most significant criteria adopted for the preparation of the accounting information presented in the aforementioned report.
- Reading the information presented in the different sections of the document, to assess whether the information is materially consistent with the consolidated interim financial statements and the understanding obtained during our review thereof.
- On the financial accounting information presented in sections 1. Key information, 3. Segment information and 4. Balance sheet and results, we have applied the following procedures:
    - Compare the figures included in the Management Commentary Financial Report with those presented in the consolidated interim financial statements, accounting records, or other underlying accounting information subject to the review procedures.
    - Perform analytical procedures and reprocesses of percentages and other indicators.

- Report exceptions identified during our review.
- Obtain a representation letter from Management for their responsibility in the preparation and submission of the Management Commentary Financial Report.

Limitation to the Scope

Our review does not extend to information which estimates the future impact of transactions and events that have occurred or are expected to occur, such as expected sources of liquidity and financial resources, operational trends, commitments, or resolutions of uncertainties. Similarly, we do not express an opinion on the quality or appropriateness of the Bank's strategies, business models and risk management, nor on other aspects of a subjective nature included in the Management Commentary Financial Report.

Conclusion

Based on our review and the application of the procedures described in the Auditor's Responsibility paragraph, nothing has come to our attention that causes us to believe that the accounting information included in the Management Commentary Financial Report as of June 30, 2022 of Banco Santander Chile has not been presented, in all material respects, in accordance with the standards and instructions issued by the Financial Market Commission (CMF) set forth in Chapter C-2 of the Compendium of Accounting Standards for Banks.

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PricewaterhouseCoopers

Fernando Orihuela B.
RUT: 22.216.857-0

Contents

Important information

Banco Santander Chile cautions that this document 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 document is not audited and is presented according to accounting rules and instructions as issued by the Financial Markets Commission for banks in Chile which e similar to IFRS, but there are some differences. Please refer to our 2021 20-F filed with the SEC for an explanation of the main differences between accounting rules and instructions as issued by the Financial Markets Commission and IFRS. Nevertheless, the consolidated accounts are prepared on the basis of generally accepted accounting principles in Chile. 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.

This document is a translation of the document in Spanish that was approved for disclosure by the Bank's Audit Committee on July 25, 2022.

Section 1: Key information

Key financial information

Balance Sheet (Ch$mn)	**Jun-22**	**Dec-21**	**% Variación**
Total assets	70,884,440	63,635,077	11.4%
Total loans[1]	38,232,162	36,628,704	4.5%
Demand deposits	15,725,629	17,900,938	(12.2%)
Time deposits	11,893,299	10,131,055	17.4%
Total shareholders' equity	3,588,420	3,634,917	(1.3%)

Income Statement (YTD)	**Jun-22**	**Jun-21**	**% Variación**
Net income from interest and readjustment	957,551	859,497	11.7%
Net fee and commission income	191,969	163,589	17.3%
Net financial results	99,256	69,290	43.2%
Total operating income[2]	1,252,458	1,092,883	14.6%
Operating expenses[3]	(474,516)	(437,381)	8.5%
Net operating income before credit loss expenses	777,942	655,502	18.7%
Credit loss expenses	(162,602)	(178,068)	(8.7%)
Net operating income before income tax	615,340	477,434	28.9%
Income attributable to shareholders	521,257	370,069	40.9%

1. Loans (including interbank loans) at amortized cost and loans at fair value through other comprehensive income.
2. Total operating income: Net income from interest and readjustments + net fee income + net financial results+ income from investments in associates and other companies+ results from non-current assets and non-continued operations+ other operating income
3. Operating expenses: Personnel expenses + administration expenses+ depreciation and amortization+ impairment of non-financial assets + other operating expenses.

Key indicators (non-accounting financial information)

Capital indicators	**Jun-22**	**Dec21**	**Variation**
Risk-weighted assets	38,370,970	37,936,312	1.1%
Core capital ratio[1]	9.6%	9.2%	41bp
Tier 1 ratio[2]	2.7%	2.6%	11bp
Tier II ratio[3]	3.9%	3.5%	46bp
BIS ratio[4]	16.2%	15.2%	97bp

Profitability and efficiency	**Jun-22**	**Jun-21**	**Variation bp**
Net interest margin (NIM)[5]	4.1%	4.1%	(5)
Efficiency ratio[6]	37.9%	40.0%	(213)
Return on avg. equity[7]	28.7%	21.1%	757
Return on avg. assets[8]	1.6%	1.3%	31
Return on RWA[9]	2.8%	2.2%	61

Asset quality ratios (%)	**Jun-22**	**Jun-21**	**Variation bp**
NPL ratio[10]	1.5%	1.3%	18
Coverage of NPLs ratio[11]	227.8%	252.2%	(2,444)
Cost of credit[12]	0.9%	1.0%	(16)

Clients and service channels	**Jun-22**	**Jun-21**	**Variation %**
Total clients	4,028,551	3,893,309	3.5%
Current account holders (including Superdigital)	2,395,718	1,848,457	29.6%
Loyal clients[13]	1,964,191	1,867,167	5.2%
Digital clients[14]	815,627	777,664	4.9%
Branches	310	344	(9.9%)
Employees	9,541	10,240	(6.8%)

Market capitalization (YTD)	**Jun-22**	**Jun-21**	**Variation %**
Net income per share (Ch$)	2.77	1.96	40.9%
Net income per ADR (US$)	1.20	1.07	11.8%
Stock price (Ch$/per share)	37.05	36.31	2.0%
ADR price (US$ per share)	16.29	19.87	(18.0%)
Market capitalization (US$mn)	7,750	9,361	(17.2%)
Shares outstanding (millions)	188,446.1	188,446.1	--%
ADRs (1 ADR = 400 shares) (millions)	471.1	471.1	--%

1. Core capital divided by risk-weighted assets, according to BIS III definitions by the FMC.
2. Tier 1 capital by risk-weighted assets, according to BIS III definitions by the FMC.
3. Tier 2 capital by risk-weighted assets, according to BIS III definitions by the FMC.
4. Regulatory capital divided by risk-weighted assets, according to BIS III definitions by the FMC.
5. NIM = Annualized net income from interest and readjustments divided by interest generating assets.
6. Efficiency ratio: Operating expenses including impairment and other operating expenses divided by Operating income.
7. Accumulated Shareholders' net income annualized, divided by annual average shareholders' equity.
8. Accumulated Shareholders' net income annualized, divided by annual average assets.
9. Accumulated Shareholders' net income annualized, divided by risk-weighted assets.
10. Capital + future interest of all loans 90 days or more overdue divided by total loans.
11. Loan loss allowance divided by Capital + future interest of all loans with one installment 90 days or more overdue. Includes additional provisions. Adjusted to include the Ch$16,000 million additional provisions from 4Q19, the Ch$30,000 million established in 2Q20, the Ch$30,000 million established in 3Q20, the Ch$50,000 million established in 4Q20, the Ch$24,000 million established in 1Q21, the Ch$18,000 million established in 2Q21, Ch$30,000 million established in 3Q21, Ch$ 60,000 million established in 4Q21.
12. Provision expense annualized divided by average loans.
13. Individual clients that have 4 products or more with a minimum level of profitability and minimum usage. Companies with a minimum profitability and usage.
14. Clients that use our digital clients at least once a month.

Section 2: Overview of the Bank

Competitive position

We are the largest bank in the Chilean market in terms of loans (excluding loans held by subsidiaries of Chilean banks abroad) and the second largest bank in terms of total deposits (excluding deposits held by subsidiaries of Chilean banks aboard). Santander Chile provides a wide range of commercial and retail banking services to its customers, including commercial, consumer and mortgage loans as well as current accounts, time deposits, savings accounts and other transactional products. In addition to its traditional banking operations, it offers financial services, including leasing, factoring, foreign trade services, financial advisory services, acquiring, and brokerage of mutual funds, securities, and insurance.

Market share[1]	Santander	Ranking among Peers
Total loans	17.7%	1
Commercial loans	15.5%	2
Mortgage loans	21.1%	1
Consumer loans	19.4%	1
Demand deposits	19.9%	1
Time deposits	13.6%	3
Current accounts (#)	29.1%	1
Credit card purchases ($)	24.0%	1
Branches (#)	18.8%	2
Employees (#)	16.6%	3
Indicators		
Efficiency ratio	37.0%	2
ROAE	29.5%	2
ROAA	1.6%	2

1. Source: FMC, as of May 2022, current accounts as of April 2022 and credit card purchases are the last twelve months up to April 2022.

As of June 30, 2022, we had total assets of Ch$ 70,884,440 million (U.S.$ 76,871 million), outstanding loans (including interbank loans) at amortized cost, net of allowances for loan losses of Ch$37,140,460 million (U.S.$ 40,227 million), total deposits of Ch$27,618,928 million (U.S.$ 29,952 million) and shareholders' equity of Ch$3,588,420 million (U.S.$ 3,891 million). The BIS capital ratio as of June 30, 2022 was 16.2%, with a core capital ratio of 9.6%.Banco Santander Chile is one of the companies with the highest risk classifications in Latin America with an A1 rating from Moody's, A- from Standard and Poor's, A+ from Japan Credit Rating Agency, AA- from HR Ratings and A from KBRA. As of June 30, 2022, we employed 9,541 people. We have a leading presence in all the major business segments in Chile, and a large distribution network with national coverage spanning across all the country. We offer unique transaction capabilities to clients through our 310 branches and digital platforms. Our headquarters are in Santiago and we operate in every major region of Chile.

For more information on the constitution of our business please see Section 2 of our Management Commentary for 1Q22.

Operating environment

All of our operations and substantially all of our customers are located in Chile. Consequently, our financial condition and the results of our operations are substantially dependent on the economic conditions prevailing in Chile.

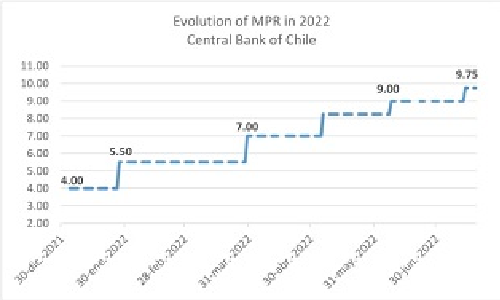
As the year progresses, GDP expectations for 2022 and 2023 have been adjusted downward. In 2022 we expect GDP to grow 1.5% and in 2023 0.5%. Thus, during this year and the next there will be a slowdown in activity. The slowdown in the economy will be driven by: (i) tight monetary policy being carried out by the Central Bank in order to control inflation, (ii) a significant fiscal adjustment, (iii) political uncertainty due to the upcoming constitutional referendum, and (iv) the deterioration of the international scenario due to a higher global rate environment and secondary effects of the war in Ukraine. In this context, investment, after having expanded by 17.6% in 2021, will have a moderate drop in 2022, while consumption will be somewhat below the average levels of last year.

Employment has continued to recover, hand in hand with greater labor participation. However, the trend levels that would have been observed had the pandemic not occurred have not yet fully recovered. For its part, the improvement in employment has not been homogeneous, being stronger in self-employment and lagging behind in formal salaried work.

The exchange rate has been depreciating as of late driven by the fall in copper prices and the global strengthening of the dollar. Since the end of March until July 14, the Chilean peso had depreciated 33%. As a result, On July 15, the Central Bank published a plan to intervene the FX market until September 2022. The Central Bank plans to sell $10 billion in the spot market by end-September, plus a similar amount of foreign-exchange hedges and $5 billion in swaps. With these measures the exchange rate returned to levels of Ch$935/US$1.

Inflation has also continued to accelerate in Chile. In the first half of 2022 CPI inflation increased 12.5% in 12 months (Unidad de Fomento[1] (UF) increased 11.4% in the same period). The main factors behind this increase has been food and fuel prices as well as the depreciation of the peso. By year end we are now expecting CPI inflation to reach 12% in 2022 (which signifies a variation of 12.0% for the UF) In 2023, as economic activity moderates and international raw materials begin to decline, prices should begin to moderate, with an expected inflation rate of 5.8% for 2023 (UF variation of 5.8%). The Central Bank's target level of inflation of 3% will not be reached until mid-2024.

1 Unidad de Fomento (UF) is a monetary unit revalued in monthly cycles according to Chile's CPI inflation. Each day in the period beginning on the tenth day of the current month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the change in the Chilean CPI the prior calendar month. One UF equaled Ch$33,086.83 at June 30, 2022, Ch$31,727.74 at March 31, 2022, and Ch$30,991.74 at December 31, 2021 and Ch$29,709.83 at June 30, 2021.



As a result of these higher inflationary pressures, the Central Bank continued to tighten monetary policy. The monetary policy rate (MPR) began a trend of increases that placed it at 4.0% in December 2021, 7.0% at the end of March and 9.75%, currently in July 2022. More increases are expected in the coming months, reaching a maximum level of around 10.5% by September or October of this year. Then, as economic activity loses momentum and inflation falls, the Central Bank will have room to start reducing the MPR, ending 2023 at around 6.5%.

Summary of economic estimates:

	2020	2021	2022 (E)	2023 (E)
National accounts				
GDP (real var. % YoY)	-6.0%	11.7%	1.5%	0.5%
Internal demand (real var. % YoY)	-9.3%	21.6%	-0.3%	-1.2%
Total consumption (real var. % YoY)	-7.2%	18.2%	0.0%	-0.5%
Private consumption (real var. % YoY)	-8.0%	20.3%	-0.4%	-0.8%
Public consumption (real var. % YoY)	-4.0%	10.3%	1.7%	-0.4%
Gross fixed capital formation. (Real var. % YoY)	-9.3%	17.6%	-2.0%	-1.5%
Exports (real var. % YoY)	-1.1%	-1.5%	1.1%	1.4%
Imports (real var. % YoY	-12.7%	31.3%	-4.4%	-4.5%
Currency and Exchange Market				
CPI Inflation	3.0%	7.2%	12.0%	5.8%
UF Inflation	2.7%	6.6%	12.0%	5.8%
CLP/US$ exchange rate (year's exercise)	711	852	925	935
Monetary policy rate (year's exercise, %)	0.5%	4.0%	10.5%	6.5%
Fiscal policy				
Public expenditure (real var. % YoY)	11.0%	31.6%	-24.5%	1.8%
Central Government balance (% GDP)	-7.3%	-7.3%	-0.5%	-2.8%

(E) Banco Santander Chile Estimates

Constitutional convention

On July 4, 2022, the Constitutional Convention convened for the last time and the final draft of the new Constitution was presented. On September 4, 2022 a referendum will be held to decide if the Chilean population accepts or rejects this new constitution. Participation in this referendum is mandatory and a 50% + 1 majority is needed for either option to win. If the Accept choice wins, Chile will adopt this new constitution gradually through 2026. If the Reject option wins, the current constitution remains in place even though it is highly likely that another constitutional process would be needed. In the current link you can access the final draft version:

https://www.chileconvencion.cl/wp-content/uploads/2022/07/Texto-Definitivo-CPR-2022-Tapas.pdf

Tax reform

Chilean Finance Ministry presented a tax reform proposal which will be discussed in four legislative initiatives: (i) Restructure income tax system: introduce a semi-dual system for corporate income tax to further de-coupling the taxation of companies from the taxation of shareholders; increase the tax rates for higher income individuals; introduce a new wealth tax and a new capital income regime (ii) Reducing tax exemptions: elimination of loopholes that facilitates tax avoidance and strength ability to combat tax evasion; (iii) Mining royalty: a two-component tax considering a basic ad-valorem tax and profitability tax with higher sliding-scale rates for copper producers; and (iv) Corrective taxes: to foster ESG programs and regional development. The first three proposals were presented to Congress in July, and the last in 4Q2022.

The government expects to collect US$12bn (4.1% of GDP) with this reform to fund social expenditure. The proposal has raised several criticism and doubts from both the private and the political sectors, in particular, regarding to those aspects that could impact the country`s competitiveness. It is expected a hard discussion in the Congress and numerous amendments to the final law.

Regulation and supervision

In Chile, only banks may maintain checking accounts for their customers, conduct foreign trade operations, and, together with non-banking financial institutions, accept time deposits. The principal authorities that regulate financial institutions in Chile are the FMC and the Central Bank. Chilean banks are primarily subject to the General Banking Law, and secondarily subject, to the extent not inconsistent with this statute, to the provisions of the Chilean Companies Law governing public corporations, except for certain provisions which that expressly excluded.

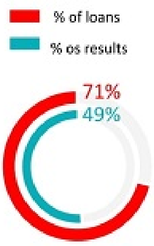
For more information on the regulation and supervision of our Bank please see Section 2 of our Management Commentary for 1Q22.
For more information on the General Banking Law click here.
For more information about the FMC, see the following website: www.cmfchile.cl
For more information on the Central Bank, see the following website: www.bcentral.cl

Section 3: Segment information

Segment information is based on financial information presented to the highest authority in making operating decisions. The Bank has aligned segment information in a manner consistent with the underlying information used internally for management reporting purposes and with that presented in the Bank's other public documents.

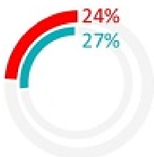
The Bank's senior management has been determined to be primarily responsible for the Bank's operational decision-making. The Bank's operating segments reflect the organizational and management structures. Top management reviews internal information based on these segments to assess performance and allocate resources.

Description of segments



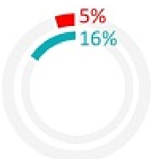
Retail Banking (Individuals and SMEs)

This segment consists of individuals and small to medium-sized entities (SMEs) with annual sales less than Ch$2,000 million (U.S.$2.3 million). This segment gives customers a variety of services, including consumer loans, credit cards, auto loans, commercial loans, foreign exchange, mortgage loans, debit cards, checking accounts, savings products, mutual funds, stock brokerage, and insurance brokerage. Additionally, the SME clients are offered government-guaranteed loans, foreign trade services, leasing, factoring, and transactional services.



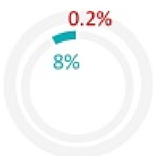
Middle-market

This segment serves companies and large corporations with annual sales exceeding Ch$2,000 million (U.S.$2.3 million). It also serves institutions such as universities, government entities, local and regional governments and companies engaged in the real estate industry who carry out projects to sell properties to third parties and annual sales exceeding Ch$800 million (U.S.$0.9 million) with no upper limit. The companies within this segment have access to many products including commercial loans, leasing, factoring, foreign trade, credit cards, mortgage loans, checking accounts, transactional services, treasury services, financial consulting, savings products, mutual funds, and insurance brokerage. Also, companies in the real estate industry are offered specialized services to finance projects, chiefly residential, with the aim of expanding sales of mortgage loans.



Santander Corporate and Investment Banking (SCIB)

This segment consists of foreign and domestic multinational companies with sales over Ch$10,000 million (U.S.$11.7 million). The companies within this segment have access to many products including commercial loans, leasing, factoring, foreign trade, project finance, credit cards, mortgage loans, checking accounts, transactional services, treasury services, financial consulting, investments, savings products, mutual funds and insurance brokerage. This segment also consists of a Treasury Division which provides sophisticated financial products, mainly to companies in the Middle-market segment and Corporate Investment Banking. These include products such as short-term financing and fund raising, brokerage services, foreign exchange services, derivatives, securitization and other tailor-made products. The Treasury Division may act as broker to transactions and manages the Bank's trading fixed income portfolio.



Corporate Activities ("Other")

This segment mainly includes our Financial Management Division, which develops global management functions, including managing inflation rate risk, foreign currency gaps, interest rate risk and liquidity risk. Liquidity risk is managed mainly through wholesale deposits, debt issuances and the Bank's available-for-sale portfolio. This segment also manages capital allocation by unit. These activities, with the exception of our inflation gap, usually result in a negative contribution to income. In addition, this segment encompasses all the intra-segment income and all the activities not assigned to a given segment or product with customers.

Results by segment

As of June 30, 2022

Accounting financial information:

	Retail Banking	Middle market	SCIB	Total segments
Net interest income[1]	566,938	189,870	71,094	827,902
Change YoY	9.7%	16.6%	54.8%	14.1%
Net fee and commission income	147,778	30,191	16,264	194,233
Change YoY	0.7%	30.3%	55.6%	7.7%
Total financial transactions, net	16,910	10,157	75,922	102,989
Change YoY	(6.2%)	(2.0%)	34.5%	21.4%
Core revenues	**731,625**	**230,219**	**163,279**	**1,125,124**
Change YoY	**7.4%**	**17.2%**	**44.7%**	**13.6%**
Provision for loan losses	(139,084)	(24,083)	(7,619)	(170,787)
Change YoY	**18.1%**	**(0.7%)**	**(267.0%)**	**24.3%**
Net operating profit from business segments	**592,541**	**206,136**	**155,660**	**954,337**
Change YoY	**5.1%**	**19.7%**	**32.6%**	**11.8%**
Operating expenses[2]	**(313,083)**	**(52,228)**	**(43,385)**	**(408,696)**
Change YoY	**1.3%**	**18.9%**	**19.1%**	**5.0%**
Net contribution from business segments	**279,459**	**153,907**	**112,276**	**545,641**
Change YoY	**9.7%**	**20.0%**	**38.7%**	**17.6%**

1. Includes net income from interest and readjustments
2. Includes personnel expenses, administrative expenses and depreciation.

Retail banking

Accounting financial information:

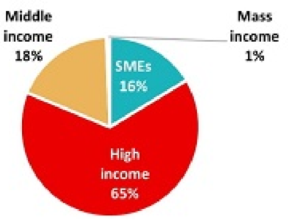
Activity

Ch$ million	Jun-22	Jun-22/ Dec-21	QoQ
Loans	26,329,088	2.1%	2.3%
Deposits	13,871,745	-6.1%	1.2%

Results

Ch$ million	Jun-22	YoY	1Q22	QoQ
Net income from interest and readjustments	566,938	9.7%	284,356	0.6%
Fees	147,778	0.7%	73,893	0.0%
Financial transactions	16,909	-6.2%	7,818	-14.0%
Total income	**731,625**	**7.4%**	**366,066**	**0.1%**
Provisions	-139,084	18.1%	-72,278	8.2%
Net operating income	**592,541**	**5.1%**	**293,788**	**-4.6%**
Expenses	-313,083	1.3%	-162,475	7.9%
Net contribution	**279,459**	**9.7%**	**131,314**	**-11.4%**

COMPOSITION



Business activity:

Santander seeks to grow retail banking in a responsible manner, with a focus on sustainability for our individual and SME customers. Some 77% of loans to individuals go to high-income earners, yet the Bank has an innovative strategy for mass income. Our Life Program, geared towards mass income, where they earn merits for their financial behavior continues to gain popularity. In the second quarter of this year, 59,366 Life current accounts were opened and the total number of bank clients closed the quarter at 4,001,163, which represents an increase of 3.5% YoY. In the quarter Superdigital continued to gain strength, providing an attractive alternative for semi or unbanked Chileans. At the end of June 2022, we had around 334,484 customers. During the last few months we have continued to extend alliances to different organizations and companies to promote Superdigital as a digital platform for their employees and/or clients.

Retail Banking volumes grew 2.1% compared to December 31, 2021 and 2.3% from 1Q22. Mortgage loans continued to increase 4.0% QoQ driven by the increase in the value of the UF while demand for new mortgages remained subdued. Auto loans continued to grow at a high rate, but this was offset by less dynamism in the rest of consumer products and a drop in SME loans.

On the other hand, deposits in this segment decreased 6.1%compared to December 31, 2021 and increased 1.2% QoQ, as demand deposits fell as the liquidity of our clients normalizes after the strong inflow of demand deposits during the pandemic due to state aid and pension fund withdrawals.

Performance:

The net contribution of retail banking increased 9.7% YoY. Margin increased 9.7% YoY due to a better funding mix and loan growth. Fees in this segment increased 0.7% led by Fees for cards that grew 7.1% due to greater usage and the increase in our client base. Provisions increased 18.1% YoY, which does not include additional provisions, due to the growth of the portfolio in the year and the normalization of asset quality of our consumer and mortgage loan books after historically low levels of non-performing loans due to the increase liquidity of our clients in recent periods. Operating costs increased 1.3% YoY, as the Bank continued with its digital transformation, leading to greater operating efficiencies.

Compared to 1Q22, the net contribution of retail banking decreased 11.4% QoQ. Margin increased 0.6% QoQ due to a better spread on consumer loans and offset by lower volumes of demand deposits. Fees in this segment were stable in the quarter with greater fees from insurance brokerage and asset management as well as an increase in current account fees. Provisions increased 8.2% QoQ, which does not include additional provisions, due to the growth of the portfolio in the year and the normalization of asset quality of our consumer and mortgage loan books after historically low levels of non-performing loans due to the increase liquidity of our clients in recent periods. Operating costs increased 7.9% QoQ mainly due to the effect of higher inflation and the depreciation of the Chilean peso, that increase our costs with suppliers as well as greater marketing costs related to our new products.

Middle market

Accounting financial information:

Activity

Ch$ million	Jun-22	Jun-22/ Dec-21	QoQ
Loans	9,077,013	6.6%	4.7%
Deposits	6,054,873	-2.8%	-6.2%

Results

Ch$ million	Jun-22	YoY	2Q22	QoQ
Net income from interest and readjustments	189,870	16.6%	95,692	1.6%
Fees	30,191	30.3%	14,356	-9.3%
Financial transactions	10,158	-2.0%	5,611	23.4%
Total income	**230,219**	**17.2%**	**115,660**	**1.0%**
Provisions	(24,084)	-0.7%	-18,897	264.4%
Net operating income	**206,136**	**19.7%**	**96,762**	**-15.1%**
Expenses	(52,229)	18.9%	-27,888	7.9%
Net contribution	**153,907**	**20.0%**	**68,874**	**-19.0%**

Business activity:

The portfolio of this segment grew 6.6% compared to December 31, 2021 and 4.7% QoQ, driven by greater economic activity, especially in sectors linked to foreign trade. Demand deposits and time deposits decreased 2.8% from December 31, 2021 and 6.2% QoQ as excess liquidity of these clients drained off in recent months. This segment focuses on total customer profitability through lending and non-lending activities.

Performance:

Net contribution from the Middle Market increased 20.0% in the six months ended June 30, 2022 compared to same period in 2021 with total revenues increasing 17.2% due to a 16.6% growth in margin due to a better spread on financing sources. Additionally, commissions increased by 30.3% in line with the greater activity of clients in payments and foreign trade as well as leasing, factoring and structuration of operations. Provisions in this segment decreased 0.7% YoY due to the liberation of provisions for particular clients that have decreased their risk or paid their debt as well as the recovery of written off debt, compensated by higher charge-offs. Expenses increased 18.9% mainly due to the higher technological expenses which are affected by the depreciation of the Chilean Peso..

Net contribution from the Middle Market decreased 19.0% QoQ as provisions increased to Ch$18,897 million due to a deterioration in the payment behavior of some clients in this segment and operating expenses increased 7.9% QoQ due to the higher personnel expenses mainly due to the effect of the increase in inflation on salaries and greater severance costs. This was compensated in part by a slight increase in margin of 1.6% QoQ mainly due to the growth of the loan book and greater results from financial transactions with totaled Ch$ 5,611 million in the quarter.

Santander Corporate & Investment Banking (SCIB)

Accounting financial information:

Activity

Ch$ million	Jun-22	Jun-22/ Dec-21	QoQ
Loans	2,713,772	20.1%	12.8%
Deposits	6,654,293	10.7%	5.7%

Results

Ch$ million	Jun-22	YoY	2Q22	QoQ
Net income from interest and readjustments	71,094	54.8%	37,327	10.5%
Fees	16,264	55.6%	8,259	3.2%
Financial transactions	75,922	34.5%	33,990	-18.9%
Total income	**163,279**	**44.7%**	**79,576**	**-4.9%**
Provisions	(7,619)	-267.0%	(7,334)	2470.8%
Net operating income	**155,660**	**32.6%**	**72,242**	**-42.4%**
Expenses	(43,385)	19.1%	(22,109)	3.9%
Net contribution	**112,276**	**38.7%**	**50,133**	**-19.3%**

Business activity:

During the quarter, demand for loans accelerated due to the economic reactivation and fewer financing opportunities in the local fixed income market. With this, the portfolio grew 20.1% from December 31, 2021 and 12.8% QoQ. Deposits increased 10.7% from December 31, 2021 and 5.7% QoQ due to more demand for time deposits which have become more attractive with the increases in the monetary policy rate..

Performance:

Total income from this segment increased 38.7% YoY, driven by a general increase in business in this segment. Net income from interest and readjustments increased by 54.8% YoY due to the increase in loans, in particular foreign trade loans, and a better spread on its financing sources. Also noteworthy is the YoY increase in customer treasury income of 34.5% and 55.6% in commissions. Provisions decreased 267.0% YoY despite the increase in loan volumes due to as a particular client improved their payment behavior and a couple of loans were sold, releasing provisions. Expenses increased 19.1% due to higher investment in the technologies that serve this segment and higher inflation and commercial activity.

Total income from this segment decreased 17.6% QoQ, driven by greater provisions in the quarter as there was a general deterioration of payment behavior in the quarter and a decrease in gains from customer treasury income after a strong increase in1Q22, with activity in market making showing volatility in line with the market expectations of economic factors. This was compensated in part by a 10.5% increase in net interest income due to the increase in loans and better mix of financing sources and a 16.9% increase in commissions as generated by greater financial advisory services such as structuration operations. Expenses in the quarter increased 3.9%, demonstrating good cost control as this was below inflation.

Corporate center / Financial Management

Accounting financial information:

Results

Ch$ million	Jun-22	YoY	2Q22	QoQ
Net income from interest and readjustments	129,650	(1.8%)	112,710	565.4%
Fees	(2,264)	(86.5%)	(1,685)	191.1%
Financial transactions	(3,733)	(72.4%)	(5,021)	(489.9%)
Total income	**123,653**	**24.0%**	**106,005**	**500.7%**
Provisions	8,184	(117.6%)	7,354	785.3%
Net operating income	**131,837**	**123.2%**	**113,358**	**473.5%**
Expenses	(8,286)	55.0%	(4,307)	8.3%
Net contribution	**123,551**	**130.0%**	**109,051**	**652.1%**

Comments on results:

The Bank's corporate center contributed $123,551 million to the Bank's results in the six month period ended June 30 2022, representing an increase of 130.0% YoY. This was mainly due to voluntary provisions established in 6M21 which were not repeated in 6M22. Also during the period we received less income from interest and readjustment due to an increase in the cost of the funding managed by the ALCO and lower fee income in this segment.

In 2Q22 results from the corporate center increased 652.1% mainly due to a 565.4% increase in income from interest and readjustments as the Bank increased the Bank's exposure to the UF in a high inflation environment.

Section 4: Balance sheet and results

Balance sheet

Loan growth led by corporates and consumer

Total loans increased 3.8% QoQ and 4.4% since December 31, 2021. Loan demand was driven by high yielding auto loans and credit card loans. Loan growth was also significantly influenced by the translation gains produced by the high UF inflation in the quarter (+4.3%) over loans denominated in UF and the translation gains produced by the depreciation of the Chilean peso against the US$ (17.6% QoQ) for loans denominated in foreign currency. Approximately 20% of our commercial loan book is denominated in foreign currency, mainly US$ and 50% of our loans are denominated in UFs, mainly mortgage loans.

Accounting financial information:

Loans by segment

		YTD		Change %	
($mn)	**Jun-22**	**Mar-22**	**Dec-21**	**Jun-22/Mar-21**	**Jun-22/Dec-21**
Consumer loans	5,100,573	5,023,362	4,948,696	1.5%	3.1%
Santander Consumer (auto)	836,060	794,451	723,075	5.2%	15.6%
Other consumer loans	4,264,513	4,228,911	4,225,620	0.8%	0.9%
Residential mortgage loans	14,723,306	14,158,430	13,738,896	4.0%	7.2%
SME	**4,079,696**	**4,201,864**	**4,645,806**	**(2.9%)**	**-12.2%**
Retail banking[1]	**26,329,088**	**25,749,119**	**25,784,719**	**2.3%**	**2.1%**
Middle-market	**9,077,013**	**8,665,425**	**8,511,500**	**4.7%**	**6.6%**
Corporate & Investment banking (SCIB)	**2,713,772**	**2,405,864**	**2,260,031**	**12.8%**	**20.1%**
Others[2]	**112,289**	**29,279**	**72,454**	**283.5%**	**55.0%**
Total loans[3 4]	**38,232,162**	**36,849,688**	**36,628,704**	**3.8%**	**4.4%**

1. Includes consumer loans, residential mortgage loans and SME loans.
2. Others includes other non-segmented loans, interbank loans and loans at fair value through other comprehensive income. See note11 and 13 of the financial statements.
3. Total gross loans.
4. The clients included in each business segment are constantly revised and reclassified if a client no longer meets the criteria for the segment, they are in. Therefore, variations of loan volumes and profit and loss items reflect business trends as well as client migration effects.

During the quarter our SCIB segment experienced strong growth of 12.8% in the last quarter and 20.1% since December 31, 2021 as large corporates sought financing through corporate loans as the local fixed income market continues to be illiquid after the pension fund withdrawals. This growth was also influenced by the translation gains caused by the depreciation of the peso and the high UF inflation rate in the quarter. These factors also drove loan growth in our Middle Market segment loans increasing 10.2% YoY and 4.7% QoQ. Our strategy with these segments continues to focus on the overall profitability of these clients, focusing on non-lending activities such as cash management and treasury products.

Loans in Retail banking grew 2.3% QoQ and 2.1% since December 31, 2021. Consumer loans increased 1.5% QoQ and 3.1% YTD. This was driven by a 5.2% QoQ increase in Santander Consumer, our subsidiary that sells auto loans and a 7.4% QoQ increase in credit card loans following several quarters of contractions as household liquidity levels have begun to normalize and greater demand for travel and leisure which boosts credit card loans. Demand for new mortgage loan origination has fallen as inflation and rates have increased. On the other hand, the UF inflation rate 4.3% in the quarter also resulted in a positive conversion impact on mortgage loans, as most of these loans are denominated in UF. Regarding SMEs, demand for new loans remains subdued after a strong increase in 2020 and 2021 for the Fogape and Fogape Reactiva loan programs.

Financial investments

Accounting financial information:

Financial investments

		YTD		Change %	
($mn)	Jun-22	Mar-22	Dec-21	Jun-22/Dec-21	Jun-22/Mar-22
Trading	83,899	92,548	73,348	14.4%	(9.3%)
Available for sale	6,020,627	4,022,574	5,900,278	2.0%	49.7%
Held-to-collect	4,581,663	4,732,869	4,691,730	(2.3%)	(3.2%)
Total	**10,686,189**	**8,847,990**	**10,665,356**	**0.2%**	**20.8%**

Since the onset of the pandemic, the Bank has seen an important increase in two funding sources: (i) demand deposits and (ii) the Central Bank Credit Lines. Both sources of funds have contributed to improving the Bank's funding mix and haven been used to fund lending activities, especially to SMEs through the FOGAPE program.

At the same time, the expansion of demand deposits has triggered the technical reserve requirement. To the extent that the aggregate amount of demand deposits exceeds 2.5 times a bank's regulatory capital, a bank must maintain a 100% reserve against them with the Central Bank. As of June 30, 2022, the Central Bank required us to maintain an additional technical reserve of Ch$2,050,493 million.

Moreover, the utilization of the Central Bank Credit lines also requires us to set aside collateral. The instruments used as collateral for the Central Bank lines and the technical reserve have been highly rated loans and Central Bank bonds. As a result of these factors, in 2021, in Chilean GAAP and in line with IAS 39, the Bank reclassified Ch$4.7 billion of AFS to the investment portfolio Held to Collect (HTC). The instruments included as HTC are being used as collateral for the Central Bank Credit Lines with a maturity similar to four years and as a technical reserve in the Central Bank.

Total deposits increase 2.1% QoQ. Clients shift from demand to time deposits as rates rise

Accounting financial information:

Funding

($mn)	Jun-22	Mar-22	Dec-21	Jun-22/Dec-21	Jun-22/ Mar-22
	YTD			Change %	
Demand deposits	15,725,629	16,880,011	17,900,917	(12.2%)	(6.8%)
Time deposits	11,893,299	10,159,808	10,131,056	17.4%	17.1%
Total Deposits	**27,618,928**	**27,039,819**	**28,031,973**	**(1.5%)**	**2.1%**
Mutual Funds brokered[1]	8,012,866	7,770,152	7,891,967	1.5%	3.1%
Bonds[2]	9,311,347	8,333,637	8,322,475	11.9%	11.7%
Central Bank lines	5,400,839	5,475,732	5,611,439	(3.8%)	(1.4%)
Liquidity coverage ratio[3]	153.3%	146.4%	148.9%		
Net stable funding ratio[3]	108.0%	112.6%	110.8%		

1. Banco Santander Chile is the exclusive broker of mutual funds managed by Santander Asset Management S.A. Administradora General de Fondos, a subsidiary of SAM Investment Holdings Limited. This figure does not form part of the Consolidated Financial Statements of the Bank.
2. Includes regulatory capital financial instruments (AT1 and Tier 2).
3. Calculated according to Chilean regulations

During the quarter, the Central Bank continued to raise the monetary policy rate (MPR) from 7.0% to 9.0% at the end of June (currently at 9.75%). We expect the MPR will reach 10% in the coming months.

This rise in rates had a direct impact on our funding mix. The Bank's total deposits increased 2.1% QoQ and decreased 1.5% compared to December 31, 2021. In the quarter, demand deposits decreased 6.8% QoQ and 12.2% compared to December 31 2021 as the increase in rates drove our clients to switch to more attractive time deposits which grew 17.1% QoQ, especially among individuals and SMEs.

BIS ratio at 16.2%. Core capital ratio reaches 9.6% and ROE of 28.7% in 1H22.

Accounting financial information:

Equity

		YTD		Change %	
($mn)	Jun-22	Mar-22	Dec-21	Jun-22/Dec-21	Jun-22/Mar-22
Capital	891,303	891,303	891,303	--%	--%
Reserves	2,871,772	2,561,789	2,557,815	12.3%	12.1%
Valuation adjustment	(520,608)	(445,904)	(354,364)	46.9%	16.8%
Retained Earnings:					
Retained earnings prior periods	(13,765)	774,959	-	--%	--%
Income for the period	521,257	235,743	778,933	(33.1%)	121.1%
Provision for dividends, payments of interests and reappreciation of issued regulatory capital financial instruments	(161,539)	(312,478)	(238,770)	(32.3%)	(48.3%)
Equity attributable to equity holders of the Bank	**3,588,420**	**3,705,411**	**3,634,917**	**(1.3%)**	**(3.2%)**
Non-controlling interest	102,293	98,298	94,360	8.4%	4.1%
Total Equity	**3,690,713**	**3,803,709**	**3,729,277**	**(1.0%)**	**(3.0%)**

Total equity reached Ch$ 3,690,713 million as of June 30, 2022. At the Annual Shareholder's Meeting held April 27, 2022, a dividend of 60% of 2021's net income was approved and the remaining 40% of 2020 net income was assigned to reserves. The Bank's **ROAE** was 31.7% in 2Q22 compared to 25.6% in 1Q22 and the YTD ROAE reached 28.7% in 1H22 compared to the ROAE of 22.5% YTD for 2021.

Non-accounting financial information:

Capital adecuacy and ROAE

		YTD		Change %	
($mn)	Jun-22	Mar-22	Dec-21	Jun-22/Dec -21	Jun-22/Mar-22
Core Capital	3,690,712	3,803,709	3,494,580	5.6%	(3.0%)
AT1	1,023,706	908,830	971,832	5.3%	12.6%
Tier I	**4,714,419**	**4,712,539**	**4,466,412**	**5.6%**	**--%**
Tier II	1,499,637	1,426,781	1,310,419	14.4%	5.1%
Regulatory capital	**6,214,056**	**6,139,321**	**5,776,831**	**7.6%**	**1.2%**
Risk weighted assets	**38,370,970**	**36,483,249**	**37,936,332**	**1.1%**	**5.2%**
Core Capital ratio	9.6%	10.4%	9.2%		
Tier I ratio	12.3%	12.9%	11.8%		
Tier II ratio	3.9%	3.9%	3.5%		
BIS ratio	16.2%	16.8%	15.2%		
Quarterly ROAE	**31.7%**	**25.6%**	**26.7%**		
YTD ROAE	**28.7%**	**25.6%**	**22.5%**		

Important note: the numbers in the above table for 2021 do not include changes from the new accounting compendium from the FMC.

Risk-weighted assets (RWA) increased by 1.1% compared to December 31, 2021 due to the implementation of Basel III, which from December 2021 includes weighted assets for operational and market risk. The approved dividend payment of 60% of 2021 profits attributable to owners of the Bank in April 2022 led to the quarterly decrease in our capital ratios, however this was mitigated by the positive impact of the Bank's high ROE. The Bank's core capital ratio reached 9.6% at the end of June 2022 and the total BIS III ratio reached 16.2%.

Results

Income from interests and readjustments in 2Q22 increased 22.2% YoY

Accounting financial information:

Income from interest and readjustment

	YTD		Chg %	Quarterly			Chg %	
Ch$ million	Jun-22	Jun-21	Jun-22/ Jun-21	2Q22	1Q22	2Q21	2Q22/ 2Q21	2Q22/ 1Q22
Net interest income	353,136	740,912	(52.3%)	131,328	221,808	375,077	(65.0%)	(40.8%)
Net readjustment income	604,416	116,586	418.4%	398,757	205,658	58,711	579.2%	93.9%
Total net income from interest and readjustment	957,552	857,498	11.7%	530,085	427,466	433,788	22.2%	24.0%

Non-accounting financial information:

Net interest margin indicators

Ch$ million	YTD Jun-22	YTD Jun-21	Chg % Jun-22/ Jun-21	Quarterly 2Q22	Quarterly 1Q22	Quarterly 2Q21	Chg % 2Q22/ 2Q21	Chg % 2Q22/ 1Q22
Average interest-earning assets	46,858,334	41,576,677	12.7%	47,228,915	46,154,793	41,718,056	13.2%	2.3%
Average loans	37,264,476	34,361,334	8.4%	37,470,231	36,642,558	34,547,870	8.5%	2.3%
Avg. net gap in inflation indexed (UF) instruments[1]	8,893,232	6,105,901	45.6%	9,459,309	8,348,914	5,850,824	61.7%	13.3%
Interest earning asset yield[2]	7.9%	5.1%		9.4%	6.5%	5.1%		
Cost of funds[3]	4.0%	1.0%		5.1%	2.9%	2.2%		
Net interest margin (NIM) [4]	4.1%	4.1%		4.5%	3.7%	4.2%		
Inflation rate[5]	6.8%	2.2%		4.3%	2.4%	1.1%		
Central Bank reference rate	9.0%	0.5%		9.0%	7.0%	0.5%		

1. The average gap between assets and liabilities indexed to Unidades de Fomento (UF), an inflation-indexed unit.
2. Interest income divided by average interest earning assets.
3. Interest expense divided by the sum of interest bearing liabilities and demand deposits.
4. Net interest income divided by average interest earning assets.
5. Inflation measured as the variation in the UF in the period.

Net interest income (NII) increased 11.7% in 1H22 compared to 1H21. This rise in NII was driven by the 12.7% rise in average interest earning assets and the higher inflation rate.

For the six-month period ended June 30, 2022, the UF variation reached 6.8% compared to 2.2% in 1H21. Given these conditions the Bank has been actively increasing the difference between interest generating assets indexed to the UF and liabilities indexed to the UF, which reached Ch$ 8,893,232 million in 1H22. This drove Net readjustment income, which is NII from inflation linked assets, upwards by 418.4% YoY in 1H22. This was partially offset by the higher interest rate environment. In the first half of 2022, the Central Bank continued to tighten monetary policy and the MPR, reached 9.0% at the end of June compared to 0.5% in 1H21. The Bank has a shorter duration of interest-bearing liabilities than interest earning assets and, therefore, when rates rise abruptly our liabilities reprice quicker than our assets, pushing margins downwards. As a result, our NII from nominal yield assets and liabilities decreased 40.8%. All-in our net interest margin (NIM) in 1H22 reached 4.1%, flat compared to our NIM in 1H21.

In 2Q22, total NII increased 24.0% QoQ and 22.2% YoY. The variation of inflation measured by the variation of the UF was 4.3% compared to 2.4% in 2Q22 and 1.1% in 2Q21. This higher inflation rate and a wider UF gap drove NII in the quarter despite rising interest rates. For this reason the Bank's NIM reached 4.5% in 2Q22 compared to 3.7% in 2Q22 and 4.2% in 1Q21.

In July, the Central Bank increased the MPR to 9.75%, r which should put downward pressure on NIMs. Moreover, UF inflation should start to decelerate from current levels. For this reason, our NIM expectation for the full year is 3.5%-3.7%.

Cost of credit at 0.9% YTD and coverage at 227.8% as asset quality starts to normalize

Accounting financial information:

Provisions

	YTD		% Chg.	Quarterly			% Chg.	
Ch$ million	**Jun-22**	**Jun-21**	**Jun-22/ Jun-21**	**2Q22**	**1Q22**	**2Q21**	**2Q22/ 2Q21**	**2Q22/ 1Q22**
Provisions for credit risk for interbank loans and loans[1]	(202,695)	(169,003)	19.9%	(116,081)	(86,614)	(88,768)	30.8%	34.0%
Special provisions for credit risk[2]	(4,797)	(44,814)	(89.3%)	(1,879)	(2,918)	(20,599)	(90.9%)	(35.6%)
Gross provisions	**(207,492)**	**(213,816)**	**(3.0%)**	**(117,960)**	**(89,531)**	**(109,367)**	**7.9%**	**31.8%**
Recovery of written-off loans	45,246	35,674	26.8%	27,146	18,100	18,738	44.9%	50.0%
Impairment for credit risk for other financial assets at amortized cost and financial assets at fair value through other comprehensive income	(356)	75	(576.9%)	(341)	(15)	105	(425.7%)	2156.6%
Provisions for credit risk	**(162,603)**	**(178,068)**	**(8.7%)**	**(91,156)**	**(71,447)**	**(90,524)**	**0.7%**	**27.6%**

1. Includes write-offs.
2. Includes additional voluntary provisions and provisions for contingent loans.

Non- accounting financial information:

Asset quality indicators and cost of credit

	YTD		Quarterly		
	Jun-22	**Jun-21**	**2Q22**	**1Q22**	**2Q21**
Cost of credit[1]	**0.87%**	**1.03%**	**0.97%**	**0.78%**	**1.05%**
Expected loss ratio (LLA / total loans)	**2.7%**	**2.8%**	**2.7%**	**2.6%**	**2.8%**
NPL ratio (90 days or more overdue/ total loans)	**1.5%**	**1.3%**	**1.5%**	**1.3%**	**1.3%**
Impaired loan ratio (impaired loans / total loans)	**4.7%**	**4.9%**	**4.7%**	**4.5%**	**4.9%**

Coverage of NPLs[2]	**227.8%**	**252.2%**	**227.8%**	**278.6%**	**252.2%**

1. Annualized provision expense divided by average loans.
2. Balance sheet provisions include additional provisions over non-performing loans

During the Covid-19 pandemic, asset quality benefited from state aid and the pension fund withdrawals leading to a positive evolution of asset quality. As the economy slows down and excess household liquidity returns to normal levels, asset quality levels should also gradually return to pre-pandemic levels. This was visible in 1H22 and the non-performing loan (NPL) ratio increased from 1.3% in 1Q22 to 1.5% in 2Q22. It is important to highlight that the impaired loan ratio continues stable. NPLs include loans that are 90 days or more overdue, why impaired loans include loans that are 90 days or more overdue and loans that have been renegotiated. The impaired loan ratio only increased from 4.5% in 1Q22 to 4.7% in 2Q22, though still below the 4.9% in 2Q21. Coverage remains high at 227.8% in 2Q22, and the Bank has not reversed any voluntary provisions recognized during 2020 and 2021.

Provisions for credit risks totaled Ch$ 162,602 million in the six-month period ended June 30, 2022, a decrease of 8.7% compared to the same period in 2021, when the Bank constituted voluntary provisions for Ch$ 42,000 million which was not repeated in 2022. The cost of credit in 1H22 reached 0.9% compared to 1.0% in 1H21.

In the quarter, provisions for credit risk increased 0.7% compared to 2Q21 and 27.6% compared to 1Q22. Provisions for credit risk for banks and loans and accounts receivable from customers increased 8.0% YoY and 2.1% QoQ due mainly to a higher credit losses among individuals and in the Middle Market segment. On the other hand, special provisions for credit risk fell significantly compared to the previous year as the Bank did not recognize additional provisions in 2022, unlike in 2021. With these results, the cost of credit in 2Q22 reached 1.0% compared to 0.8% in 1Q22 and 1.1% in 2Q21. We expect the cost of risk for 2022 to be in the range of 0.9%-1.0%.

Accounting financial information:

Provisions for credit risk by product

	YTD		**% Chg.**	**Quarterly**			**% Chg.**	
Ch$ million	**Jun-22**	**Jun-21**	**Jun-22/ Jun-21**	**2Q22**	**1Q22**	**2Q21**	**2Q22/2Q21**	**2Q22/1Q22**
Consumer loans	(54,896)	(50,738)	8.2%	(47,436)	(7,460)	(32,371)	46.5%	535.9%
Commercial loans	(68,212)	(62,918)	8.4%	(36,640)	(31,572)	(51,386)	(28.7%)	16.1%
Residential mortgage loans	(39,495)	(64,412)	(38.7%)	(7,080)	(32,415)	(6,767)	4.6%	(78.2%)
Total Provision for loan losses	**(162,603)**	**(178,068)**	**(8.7%)**	**(91,156)**	**(71,447)**	**(90,524)**	**0.7%**	**27.6%**

Provisions for credit losses for consumer loans increased 8.2% in 1H22 compared to the same period in 2021. The consumer NPL ratio increased from 0.9% in June 2021 to 1.3% in June 2022 resulting in a decrease of coverage from 673.6% to 435.2% as our clients benefitted from state aid and pension fund withdrawals in 1H21 and led to an improvement in payment behavior. These one-off events were not repeated in 1H22 and therefore their payment behavior has started to normalize. Meanwhile the consumer impaired consumer ratio continues with a favorable trend, reaching 3.2% in June 2022, below the 4.1% in June 2021.

Compared to 1Q22 net provisions for consumer loans increased 535.9% in 2Q22 and 46.5% compared to 2Q21 and. The consumer NPL ratio increased from 1.0% in 1Q22 to 1.3% in 2Q22, resulting in a decrease of coverage from 520.1% in 1Q22 to 435.2% in 2Q22, though still representing a high level of coverage for this portfolio. The consumer impaired consumer ratio increased slightly from 3.1% in 1Q22 to 3.2% in 2Q22.

Net provisions in the mortgage portfolio decreased 38.7% in the six months ended June 30, 2022 compared to the same period in 2021. The mortgage NPL ratio increased slightly from 0.8% in 1H21 to 0.9% in 1H22 while the impaired ratio of the mortgage loan book improved from 3.1% in 1H21 to 2.9% in 1H22. Coverage remained stable compared to 1H21 at 84.1%.

Compared 1Q22 net provisions for mortgage loans decreased 78.2% in 2Q22. The mortgage NPL ratio increased from 0.6% in 1Q22 to 0.9% in 2Q22 while the impaired ratio of the mortgage loan book remained stable at 2.9%. As a reminder, the Bank increased coverage of this portfolio in 1Q22, reaching a coverage of 132.3% in anticipation of future write-offs in the next two years in line with our view that high interest rates and higher inflation could affect the quality of this product's portfolio. With the increase in NPLs in the quarter, coverage of this portfolio has decreased to 84.1%.

Provision expense for commercial loans increased 8.4% in the six months ended June 30, 2022, compared to the same period in 2021 with the commercial NPL ratio increased slightly from 0.8% in 1H21 to 0.9% in 1H22 and the impaired ratio of the commercial loan book marginally increased from 6.4% in 1H21 to 6.5% in 1H22. With this NPL coverage of this portfolio remained stable compared to 1H21 at 244.9%.

Compared to 1Q22 net provisions for commercial loans increased 16.1% in 2Q22 and decreased 28.7% compared to 2Q21. In 2Q21 the Bank established Ch$18 billion in additional provisions for the commercial portfolio that was not repeated in 2Q22. Due to the excess liquidity in recent periods, asset quality had improved significantly. In 2Q22 the payment behavior of our clients started to normalize and the impaired commercial loan ratio increased from 6.1% in 1Q22 to 6.5% in 2Q22 and the commercial NPL ratio increased from 1.7% in 1Q22 to 1.9% in 2Q22.

For more information on credit risk and asset quality see Section 7: Risk.

Fees increase 17.3% compared to the same period in 2021 driven by growth in client base and higher usage

Fee income increased 17.3% in the six months ended June 30, 2022 compared to the same period in 2021 and increased 17.4% in 2Q22 compared to 2Q21. Fees in the quarter continued to show healthy signs of growth driven by customer growth and increased product usage.

By product, the evolution of fees was the following:

Accounting financial information:

Fees by product

	YTD		% Chg.	Quarterly			% Chg.	
Ch$ million	Jun-22	Jun-21	Jun-22/Jun-21	2Q22	1Q22	2Q21	2Q22/2Q21	2Q22/1Q22
Card fees	48,234	45,032	7.1%	22,735	25,499	21,871	3.9%	(10.8%)
Asset management	27,141	22,465	20.8%	13,963	13,178	11,314	23.4%	6.0%
Insurance brokerage	24,900	20,773	19.9%	13,957	10,943	10,544	32.4%	27.5%
Guarantees, pledges and other contingent op.	17,366	17,988	(3.5%)	9,025	8,340	11,224	(19.6%)	8.2%
Collections	26,665	12,597	111.7%	12,616	14,049	3,883	224.9%	(10.2%)
Current accounts	24,070	18,636	29.2%	12,669	11,401	9,517	33.1%	11.1%
Getnet	9,170	1,018	800.7%	5,786	3,384	984	487.8%	71.0%
Prepayment of loans	6,784	11,597	(41.5%)	2,587	4,196	5,831	(55.6%)	(38.3%)
Others	7,639	13,483	(43.3%)	1,484	6,155	5,621	(73.6%)	(75.9%)
Total fees	**191,969**	**163,589**	**17.3%**	**94,822**	**97,145**	**80,789**	**17.4%**	**(2.4%)**

Card fees increased 7.1% in 1H22 compared to the same period in 2021 and 3.9% in the quarter compared to 2Q21 due to the growth of our Life debit cards and Superdigital prepaid cards, as well as increased use by all our card-using customers. It is important to note that in July 2021, the regulations to establish the interchange fee were enacted. A technical committee had six months to determine the interchange fee levels and this will be reviewed every 3 years. In February of this year the new maximum rates were published: 1.48% for credit cards, 0.6% for debit cards and 1.04% for prepaid cards. The Bank estimates that the implementation of these maximum rates will have a negative impact on this commission line of approximately $29 billion in 2022 and explains the 10.8% decrease in card fees in 2Q22 compared to 1Q22 and the 2.4% QoQ total fall in fees in the same period.

Getnet, our new acquisitions business that launched in 1Q21 has continued to grow, reaching over 110,000 POS machines, and providing Ch$ 5,786 million in fee income in the quarter and Ch$9,170 million year-to-date. In the second quarter, Getnet has already started to generate net profits, just over a year since its launch.

Current account fees increased by 29.2% in1H22 compared to the same period in 2021 and 33.1% in 2Q22 compared to 2Q21 and 11.1% in 1Q22. Growth in account openings continued to grow strongly during the quarter In general, as of April 2022, the latest data available, in the last twelve months Santander Chile had net account openings of 517,686 compared to 1,009,311 net openings for the rest of the banking system. This indicates that until April 2022, Santander Chile represented 33.9% of all account openings in Chile. The overall share of the current account market increased to 29.1%, up from 27.1% in April 2021. Furthermore, this includes a strong increase in demand from clients for current accounts in US$. Clinets can now digitally open a current account in US$ through our Santander Life platform in a few easy step. We have opened some 59,000accounts in the last 12 months to reach a total of 108,070 current accounts in US$, reaching a total market share of 34.5% in these accounts.

Collection commissions grew by 111.7% in 1H22 compared to the same period last year and 224.9% in 2Q22 compared to 2Q21 due to higher commissions for transfers and payment orders and collection of customer receivables. Insurance brokerage increased by 19.9% in the six months ended June 30, 2022 compared to the same period in 2021 and 32.4% in 2Q22 compared to 2Q21 and 27.5% compared to 1Q22 driven by auto insurance and driven by our Insurtech platforms such as Autocompara and Klare. The Bank's online auto insurance brokerage business, Autocompara, continued to show strong growth as auto sales across the country expanded aggressively.

Loan prepayment commissions decreased 41.5% in1H22 compared to the same period in 2021 and in 2Q22 decreased 55.6% compared to 2Q21 and 38.3% compared to 1Q22 as excess liquidity of Chilean households from the Covid-19 state aid measures and pension fund withdrawals drained off, resulting in less demand from our clients to prepay debt compared to previous quarters.

Solid client treasury income with net financial results increasing 43.2% YTD.

Accounting financial information:

Net financial results

	YTD		Chg. %	Quarterly			Chg. %	
Ch$ million	**Jun-22**	**Jun-21**	**Jun-22/ Jun-21**	**2Q22**	**1Q22**	**2Q21**	**2Q22/ 2Q21**	**2Q22/ 1Q22**
Financial assets and liabilities for trading	(58,613)	7,029	(933.8%)	(76,318)	17,706	(18,455)	313.5%	(531.0%)
Result from derecognition of financial assets and liabilities at amortized cost and of financial assets at fair value with changes in other comprehensive income	16,113	2,232	622.1%	2,021	14,092	3,003	(32.7%)	(85.7%)

Changes, readjustments and hedge accounting in foreign currency	141,756	60,029	136.1%	116,695	25,060	55,529	110.2%	365.7%
Net financial results	**99,256**	**69,290**	**43.2%**	**42,398**	**56,858**	**40,077**	**5.8%**	**(25.4%)**

The **net financial results** recorded a gain of Ch$ 99,256 million in 1H22, an increase of 43.2% compared to1H21 mainly due to greater gains from readjustments and hedge accounting in foreign currency. In 2Q22 net financial results increased 5.8% compared to 2Q21 mainly due to gains from readjustments and hedge accounting in foeign currency however decreased 25.4% compared to 1Q22 mainly due to a loss from financial assets and liabilities for trading. In order to understand these lines more clearly, they are presented by business area in the following table:

Net financial results by business

	YTD		Chg. %	Quarterly			Chg. %	
Ch$ million	**Jun-22**	**Jun-21**	**jun-22/jun-21**	**2Q22**	**1Q22**	**2Q21**	**2Q22/2Q21**	**2Q22/1Q22**
Client	104,800	87,140	20.3%	49,756	55,044	44,822	11.0%	(9.6%)
Non- client[1]	(5,544)	(17,850)	(68.9%)	(7,358)	1,814	(4,744)	55.1%	(505.7%)
Net financial results	**99,256**	**69,290**	**43.2%**	**42,398**	**56,858**	**40,078**	**5.8%**	**(25.4%)**

1. Non client treasury income. These results includes interest income and the mark-to-market of the Bank's trading portfolio, realized gains from the Bank's available for sale portfolio and other results from our Financial Management Division.

Revenues from client treasury services reached a profit of Ch$ 104,800 million 1H22, an increase of 20.3% 1H21. The movement of client treasury revenues, which generally constitutes most of our treasury revenues, reflects customer demand for treasury products such as spot currency purchases, forwards and other more complex treasury products. In 1Q22 there was a strong positive flow of institutional and corporate clients in the swaps and inflation market driven by the high CPI data and contributed to the strong results in 1H22 compared to 1H21. Non-client treasury totaled a loss of Ch$ 5,544 million in 1H22 compared to a loss of Ch$ 17,850 million in 1H21. During 2021, the Bank's Financial Management Division carried out several liability management operations to adapt the balance sheet to the new environment of rate hikes, which resulted in initial losses in 2021.

Compared to 1Q22, the strong demand for client treasury products was not repeated to the same extent in 2Q22, this led to a decrease of 9.6% QoQ from client treasury services which totaled Ch$ 42,398 million in the quarter. This was compensated by greater demand for foreign currency by corporate clients due to the volatility of the US$ /CLP exchange rate in recent months. In 2Q22, non-client treasury totaled a loss of Ch$ 7,358 million, as the Bank's Financial Management Division continued to carry out liability management operations, mainly bond buybacks in order to improve the margin outlook as short-term interest rates continue to rise.

Operating expenses increased 8.5% YTD, below inflation and with an efficiency ratio of 37.9%.

Operating expenses increased 8.5% in 1H22 compared to the same period in 2021 and in 2Q22 increased 14.7% compared to 2Q21 and 15.8% compared to 1Q22 reflecting the effect of sustained high inflation, however the Bank's efficiency ratio remained mainly stable, reaching 37.9% YTD and 38.0% in 2Q22. The Bank continues to advance in the execution of its investment plan of US$260 million for the years 2022-2024 with a focus on digital initiatives both on the front and back-end.

Accounting financial information:

Operating expenses

	YTD		Chg. %	Quarterly			Chg. %	
Ch$ million	Jun-22	Jun-21	Jun-22/ Jun-21	2Q22	1Q22	2Q21	2Q22/ 2Q21	2Q22/ 1Q22
Personnel expenses	(208,797)	(200,659)	4.1%	(111,251)	(97,546)	(103,789)	7.2%	14.1%
Administrative expenses	(144,102)	(135,686)	6.2%	(73,059)	(71,043)	(66,264)	10.3%	2.8%
Depreciation and amortization	(64,083)	(58,324)	9.9%	(32,469)	(31,614)	(30,595)	6.1%	2.7%
Other operating expenses	(57,534)	(42,712)	34.7%	(37,848)	(19,686)	(21,486)	167.8%	192.3%
Impairment	-	-	--%	-	-	-	--%	--%
Operating expenses	**(474,516)**	**(437,381)**	**8.5%**	**(254,627)**	**(219,889)**	**(222,134)**	**14.6%**	**15.8%**

Non- accounting financial information:

Other indicators of productivity and efficiency

	YTD		Chg. %	Quarterly			Chg. %	
Ch$ million	Jun-22	Jun-21	Jun-22/ Jun-21	2Q22	1Q22	2Q21	2Q22/ 2Q21	2Q22/ 1Q22
Branches	**310**	**344**	**(9.9%)**	**310**	**324**	**344**	**(9.9%)**	**(4.3%)**
Traditional	208	230	(9.6%)	208	219	230	(9.6%)	(5.0%)
WorkCafé	69	60	15.0%	69	69	60	15.0%	0.0%
Middle market centers	7	7	0.0%	7	7	7	0.0%	0.0%
Select	8	19	(57.9%)	8	9	19	(57.9%)	(11.1%)
Employees	**9,541**	**10,240**	**(6.8%)**	**9,541**	**9,854**	**10,240**	**(6.8%)**	**(3.2%)**
Efficiency ratio[1]	**37.9%**	**40.0%**	**213bp**	**38.0%**	**37.8%**	**39.9%**	**+193bp**	**-21bp**
Volume per branch (Ch$mn)[2]	212,423	186,503	13.9%	212,423	197,190	186,503	13.9%	7.7%
Volume per employee (Ch$ mm)[3]	6,902	6,265	10.2%	6,902	6,484	6,265	10.2%	6.5%
Costs / Assets[4]	1.5%	1.6%	+7bp	1.6%	1.4%	1.6%	+1bp	-13bp

1. Operating expenses divided by operating income
2. Loans + Deposits divided by branches (point of sale).
3. Loans + Deposits divided by employees
4. Annualized operating expenses / average total assets

Personnel expenses increased 4.1% in 1H22 compared to the same period in 2021 and increased 7.2% compared to 2Q21 and 14.1% compared to 1Q22, reflecting the rise in inflation and the consequent readjustment of salaries. Headcount fell 6.8% compared to 2Q21 and 3.2% compared to 1Q22 in line with the reduction in branches in the quarter. Volumes (loans plus deposits) per branch increased 13.9% YoY and volumes per employee grew 10.2% YoY. This increase in productivity is a reflection of the strength of our digital channels and a higher level of automation in different cost centers.

Administrative expenses increased 6.2% in 1H22 compared to the same period in 2021, and increased 10.3% in 2Q22 compared to 2Q21 and 2.8% compared to 1Q22. During the quarter, the Bank had higher expenses related to the maintenance of fixed assets and an increase in spending on IT and communications, as it continues to focus on improving digital platforms for our customers and employees. The strong increase in the client base also influenced the increase in administrative expenses as well as the increase in inflation and the depreciation of the Chilean peso of 17.6% compared to March 2022 and 26.0% compared to June 2021 as a significant percentage of IT, communications and outsourced data processing expenses are denominated in US$.

Amortization expenses increased 9.9% in 1H22 compared to the same period in 2021 and in 2Q22 increased 6.1% compared to 2Q21 and 2.7% compared to 1Q22 mainly due to higher software amortization due to digital banking developments as part of our plan to improve productivity.

Other operating expenses increased 30.1% in 1H22 compared to the same period in 2021 and in 2Q22 increased 160.2% compared to 2Q21 and 192.3% compared to 1Q22. This increase was mainly due to higher provisions for non-credit contingencies and for operational risk in the quarter mainly related to future severance payments. Furthermore compared to 1H21 there were higher expenses in cybersecurity insurance expenses as the Bank increases its client base and higher expenses related to our joint venture with our main partner in the financing of auto loans, Astara (former SK Bergé), through our subsidiary Santander Consumer. This cost is recognized in Other operating expenses. It should be noted that, despite the higher expense in this line, Santander Consumer's results grew 52.0% year-on-year, totaling Ch$13,492 million in the six months ended June 30, 20222.

Other operating income, income from investments in companies and taxes

In these items we highlight the higher result from investments in companies due to the better results of Transbank in the quarter. As a reminder, we have a 25% stake in Transbank, and the Bank is in the process of selling their stake in this company. Our investment in Transbank was recognized as a discontinued operation since June 2019, but because the sale has been delayed, in 4Q21 the Bank re-recognized Transbank's results as Income from investments in associates. During 2021 Transbank recognized operating losses due to the evolution of the payment market.

Accounting financial information:

Other operating income and taxes

$ millones	YTD Jun-22	YTD Jun-21	Chg. % Jun-22/ Jun-21	Quarterly 2Q22	Quarterly 1Q22	Quarterly 2Q21	Chg. % 2Q22/ 2Q21	Chg. % 2Q22/ 1Q22
Other operating income	1,241	740	67.6%	1,020	221	325	282.1%	460.6%
Income from investment in associates	4,393	925	375.0%	3,033	1,360	622	606.6%	223.1%
Results from non-current assets and non-continued operations	(1,953)	841	(332.2%)	(1,053)	(900)	595	(428.4 %)	117.0%
Income tax	**(86,146)**	**(103,584)**	**(16.8%)**	**(35,036)**	**(51,110)**	**(53,970)**	**59.6%**	**68.5%**
Effective tax rate	**14.0%**	**21.7%**		**10.8%**	**17.6%**	**22.2%**		

Income tax expense in 1H22 totaled Ch$ 86,146 million, a decrease of 16.8% compared to the same period in 2021. In 2Q22, income tax expense totaled Ch$ 35,036 million, a decrease of 59.6% compared to 2Q21 and 68.5% compared to 1Q22. For tax purposes, our capital must be updated for CPI inflation, therefore, when CPI inflation is high, the effective tax rate tends to be lower.

Non-accounting financial information:

Taxes YTD[1]

$ millones	Jun-22	Jun-21	Change % Jun-22/Jun-21
Income before tax	615,340	477,434	**28.9%**
Price level restatement of capital[1]	(337,295)	(109,832)	207.1%
Other permanent differences, deferred taxes	41,014	16,042	155.7%
Adjusted income before tax	**319,059**	**383,644**	**(16.8%)**
Tax rate	27.0%	27.0%	+0bp
Income tax	**(86,146)**	**(103,584)**	**(16.8%)**
Effective tax rate	**14.0%**	**-21.7%**	**+3,570bp**

1. For tax purposes, capital is indexed to CPI inflation. The statutory tax rate is applied on income before tax after monetary correction of capital. For more information see Note 18 of the Consolidated Interim Financial Statements.

Section 5: Guidance

Given the above, the expectations of the Bank for volume growth and income for 2022 are as follows:

Indicator	Guidance	Key factor
Loans	8-10% based on GDP growth of 1.5% and inflation of 12%	Economic growth. Inflation rate and exchange rate
NIM	3.5%-3.7% due to the impact of the higher monetary policy rate, mitigated in part by the higher inflation.	Inflation rate and speed of MPR increases. Loan and funding mix
Non- NII	15% growth this year.	Client growth and product usage
Costs	Increasing below inflation	Inflation, headcount, to pre exchange rate, productivity and, investment plans
Cost of credit	A cost of risk of 0.9%-1.0% with asset quality normalizing to pre-pandemic levels.	Increase in provisions and growth of loans. Evolution of economy and unemployment.
ROE	ROE of 21%-22% in 2022 and medium-term ROAE of 17-19%.	Growth of: income and equity
CET1	Finishing the year > 10%	ROE, growth of equity and risk-weighted assets and dividend policy.

Section 6: Risks

The management of risks in the first quarter of 2022 has centered on the protection of our groups of interest in an environment that is still affected by the COVID-19 pandemic and its consequences.

A. Credit risk

Estimation of expected loss:

The estimation of provisions is based on models of expected loss, in line with Chapter B1 of the FMC's Accounting Standards Compendium. The loan portfolio is divided into individually and collectively analysed loans. Within each group, there are different provision models for consumer loans, mortgages, and commercial loans. The provisions of the majority of loans are determined, in simple terms, through the following formula of expected loss.

Provisions for individual assessments

According to the FMC, an individual assessment of commercial debtors is necessary for companies that, due to their size, complexity, or level of exposure, must be analysed in detail. The debtors' analysis is primarily focused on their creditworthiness. Therefore, they are classified in the corresponding risk category and by their respective credit transactions and contingent loans before being assigned to one of the following portfolio categories: Normal, Substandard, and Impaired portfolio. For this assignation, several risk factors are considered: the industry or economic sector, their business, partners and management's situation, financial situation, payment ability, and payment performance. Thus, the portfolio assignations are:

- **Normal Portfolio:** it considers debtors whose payment ability enables them to meet their obligations and commitments and in which there is no foreseeable alteration regarding their economic and financial situation. The classifications assigned to this portfolio are categories from A1 to A6.

- **Substandard Portfolio:** it includes debtors with financial difficulties or significant deterioration in their payment ability and of which there is reasonable doubt concerning their future reimbursement of the principal and interests within the contractual terms, displaying a limited ability to meet short-term financial obligations. The classifications assigned to this portfolio are categories from B1 to B4.
- **Impaired Portfolio:** it includes debtors and related loans where recovery is considered remote, as they display a reduced or null repayment capacity. This portfolio encompasses debtors who have stopped paying their loans or show clear signs they will stop paying, as well as those who require forced debt restructuring, reducing the due obligation or delaying their principal repayment or interests; and any other debtor who is beyond 90 days overdue in their payment of interests or principal. The classifications assigned to this portfolio are categories from C1 to C6.

As part of the individual assessment of debtors, the Bank classifies them into the following categories, assigning them a percentage for the probability of default and loss given default (severity), which results in percentages of expected loss.

Portfolio	Debtor's Category	Probability of Default (%)	Severity (%)	Expected Loss (%)
Normal Portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard Portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

The impaired portfolio comprises all loans and 100% of the number of contingent loans of those debtors who are beyond 90 days overdue on payments of any credit interests or principal by the month's end. It also includes debtors who have been granted a loan to refinance placements beyond 60 days overdue and debtors who have undergone forced debt restructuring or partial debt forgiveness.

To calculate the provisions to cover an impaired portfolio, firstly, an expected loss rate is determined by calculating the amounts recoverable through financial guarantees and deducting the present value of recoveries obtained through collection services after related expenses. Once the expected loss range is determined, the corresponding provision percentage is applied over the exposure amount, which encompasses loans and contingent loans of the same debtor. The provision rates applied over the calculated exposure are as follows:

Classification	Estimated range of loss	Provision
C1	Up to 3%	2%
C2	3% to 20%	10%
C3	20% to30%	25%
C4	30% to 50%	40%
C5	50% to 80%	65%
C6	Above 80%	90%

All debtors' loans are to be maintained in the impaired portfolio until their payment ability or performance is normalised, irrespective of penalty procedures for each loan, particularly those that meet the conditions of Title II of Chapter B-2 of the CNC.

Provisions for group assessments

Group assessments are appropriate to address a large volume of transactions that have small individual balances belonging to individuals or small companies. To determine their provisions, group assessments require the clustering of debtors with similar characteristics in terms of debtor type and loan commitments in order to determine both the group's payment behaviour and the recovery of defaulted loans, using technically substantiated estimates and prudential criteria. The model used is based on the debtor's characteristics, payment history, outstanding loans, and defaults, among other relevant factors.

The Bank uses methodologies to determine credit risk based on internal and/or standard models to estimate the provisions of the group assessment portfolio. This considers commercial loans for debtors that are not assessed individually, mortgage and consumer loans (including instalment loans, credit cards and overdraft lines). Such methodology allows the Bank to independently identify the portfolio's performance in the year and thus determine the provision required to cover losses manifested within one year starting from the balance date.

The customers are segmented according to their internal and external characteristics into clusters or profiles to differentiate each portfolio's risk in a more appropriate and orderly manner (customer-portfolio model). This is known as the profile allocation method, which is based on a statistical construction model that, through logistic regression, establishes relations between variables –such as default, external performance, and socio-demographic data, among others – and a response variable that determines the client's risk, in this case a default equal or beyond 90 days. After this, common profiles are defined and assigned a Probability of Non Performance (PNP) and a recovery rate based on a historical analysis known as Severity (SEV).

Once the customers have been profiled and assigned a PNP and a SEV in terms of their loan's profile, the exposure of default is calculated. This estimation includes the customer's book value of loans and accounts receivables added to contingent loans, minus any recoverable amount through collateral enforcement (for credits other than consumer loans).

Notwithstanding the above, to constitute provisions concerning commercial and housing loans, the Bank must establish minimum provisions adhering to the standard method set by the FMC for these types of loans. While such standard model constitutes a minimum prudential baseline, it does not relieve the Bank of its responsibility to have its own internal methodologies for determining sufficient provisions protecting this portfolio's credit risk.

a)Loans and accounts receivable from customers June 30, 2022 ($ million)	Assets before allowances					Total	Established allowances					Subtotal	Deductible guarantees FOGAPE Covid-19	Total	Net financial assets
	Normal portfolio		Substandard portfolio	Impaired portfolio			Normal portfolio		Substandard portfolio	Impaired portfolio					
	Assessment		Assessment	Assessment			Assessment		Assessment	Assessment					
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group				
Commercial loans															
Commercial loans	7,783,256	4,194,235	919,993	518,504	349,279	**13,765,257**	64,770	65,792	30,246	165,475	172,633	**498,915**	24,399	**523,314**	**13,241,943**
Chilean export foreign trade loans	782,596	10,736	44,158	2,434	1,457	**841,381**	15,839	324	3,418	1,317	945	**21,843**	-	**21,843**	**819,538**
Chilean import foreign trade loans	710,673	51,713	11,929	16,454	2,282	**793,051**	19,035	1,396	1,325	9,135	1,680	**32,571**	-	**32,571**	**760,480**
Foreign trade between third parties	2,322	-	-	-	-	**2,322**	49	-	-	-	-	**49**	-	**49**	**2,273**
Checking accounts debtors	68,576	39,196	11,677	3,261	6,471	**129,181**	1,054	1,239	1,294	1,149	5,266	**10,002**	-	**10,002**	**119,179**
Credi card debtors	27,888	86,418	3,236	878	6,252	**124,672**	778	2,824	413	409	4,919	**9,344**	-	**9,344**	**115,329**
Factoring transactions	946,200	50,168	12,724	1,928	597	**1,011,618**	8,931	1,001	1,084	1,123	216	**12,355**	-	**12,355**	**999,263**
Leasing transactions	895,532	226,684	151,337	71,897	11,078	**1,356,528**	3,690	3,890	2,872	10,190	7,466	**28,108**	16	**28,124**	**1,328,404**
Student loans	-	47,099	-	-	7,334	**54,433**	-	1,276	-	-	2,106	**3,382**	-	**3,382**	**51,051**
Other loans and accounts receivable	4,136	240,554	1,214	5,687	3,008	**254,600**	53	2,354	227	3,490	1,838	**7,962**	-	**7,962**	**246,638**
Subtotal	**11,221,169**	**4,946,802**	**1,156,269**	**621,043**	**387,758**	**18,333,042**	**114,199**	**80,096**	**40,880**	**192,288**	**197,069**	**624,531**	**24,414**	**648,946**	**17,684,096**
Mortgage loans															
Loans with letters of credit	-	2,918	-	-	165	**3,083**	-	7	-	-	28	**35**	-	**35**	**3,047**
Mortgage transferable mutual loans	-	2,696	-	-	324	**3,019**	-	12	-	-	75	**87**	-	**87**	**2,932**
Mortgage mutual loans financed through mortgage finance bonds	-	83,534	-	-	2,120	**85,655**	-	125	-	-	210	**335**	-	**335**	**85,320**
Other mortgage mutual loans	-	14,129,758	-	-	419,828	**14,549,586**	-	24,259	-	-	80,215	**104,473**	-	**104,473**	**14,445,113**
Mortgage financial leasing	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-	**-**	**-**
Other loans and accounts receivable	-	79,547	-	-	2,417	**81,964**		88	-	-	821	**910**	-	**910**	**81,054**
Subtotal	**-**	**14,298,453**	**-**	**-**	**424,854**	**14,723,306**	**-**	**24,491**	**-**	**-**	**81,349**	**105,840**	**-**	**105,840**	**14,617,466**
Consumer loans															
Installment consumer loans	-	3,420,134	-	-	147,248	**3,567,382**	-	102,686	-	-	105,802	**208,487**	-	**208,487**	**3,358,895**
Current account debtors	-	135,798	-	-	4,046	**139,844**	-	7,321	-	-	3,187	**10,508**	-	**10,508**	**129,336**
Credit card debtors	-	1,377,120	-	-	12,829	**1,389,949**	-	32,249	-	-	10,038	**42,286**	-	**42,286**	**1,347,663**
Consumer leasing transactions	-	2,748	-	-	9	**2,757**	-	28	-	-	6	**34**	-	**34**	**2,723**
Other loans and accounts receivable	-	366	-	-	275	**641**	-	149	-	-	222	**372**	-	**372**	**270**
Subtotal	**-**	**4,936,167**	**-**	**-**	**164,407**	**5,100,573**	**-**	**142,432**	**-**	**-**	**119,255**	**261,687**	**-**	**261,687**	**4,838,886**
TOTAL	**11,221,169**	**24,181,422**	**1,156,269**	**621,043**	**977,019**	**38,156,921**	**114,199**	**247,019**	**40,880**	**192,288**	**397,673**	**992,058**	**24,414**	**1,016,473**	**37,140,448**

Credit quality of debtors

As of the end of June 2022, the NPL ratio started to increase after historically low levels, increasing from improved from 1.2% in 1Q22 to 1.5% and the impaired ratio increased from 4.5% in 1Q22 to 4.7% in 2Q22, though still below 4.9% registered in 2Q21. After periods of high liquidity in the system and exceptionally asset quality, our clients are starting to normalize their payment behavior. The coverage ratio, including additional provisions, reached 227.8% in 2Q22 and the expected loss ratio (provision loan loss allowances divided by total loans) is stable at 2.7% in 2Q22.

Asset credit quality

$ million	Jun-22	Mar-21	Dec-21	Var % Jun- 22/ Jun-21	Var % Jun-22/ Dec-21
Total loans[1]	38,156,933	36,771,052	36,534,950	10.2%	4.4%
Loan loss allowances (LLAs)[2]	(1,016,473)	(966,603)	(958,761)	6.0%	6.0%
Non-Performing Loans[3] (NPLs)	**559,508**	**439,530**	**449,835**	**25.3%**	24.4%
Consumer NPLs	66,106	52,478	43,626	53.0%	51.5%
Commercial NPLs	355,663	301,971	301,984	17.0%	17.8%
Mortgage NPLs	137,739	85,082	104,225	38.6%	32.2%
Impaired loans[4]	**1,783,876**	**1,646,745**	**1,646,745**	**5.5%**	**8.3%**
Consumer impaired loans	164,400	156,948	154,722	(15.3%)	6.3%
Commercial impaired loans	1,194,622	1,085,268	1,105,110	9.3%	8.1%
Mortgage impaired loans	424,854	404,529	392,956	4.9%	8.1%
Expected loss ratio[5] (LLA / total loans)	**2.7%**	**2.6%**	**2.6%**		
NPL ratio (NPL / total loans)	**1.5%**	**1.2%**	**1.2%**		
Consumer NPL ratio	1.3%	1.0%	0.9%		
Commercial NPL ratio	1.9%	1.7%	1.7%		
Mortgage NPL ratio	0.9%	0.6%	0.8%		
Impaired loan ratio (impaired / total loans)	**4.7%**	**4.5%**	**4.5%**		
Consumer impaired ratio	3.2%	3.1%	3.1%		
Commercial impaired ratio	6.5%	6.1%	6.2%		
Mortgage impaired ratio	2.9%	2.9%	2.8%		
NPL coverage ratio[6]	**227.8%**	**278.6%**	**270.5%**		
Coverage ratio without mortgages[7]	274.7%	313.7%	327.8%		
Consumer coverage ratio[8]	435.2%	520.1%	666.6%		
Commercial coverage ratio[9]	244.9%	277.9%	278.8%		
Mortgage coverage ratio[10]	84.1%	132.3%	80.6%		

1. Includes interbank loans.
2. Adjusted to include $ 16.000 million in additional provisions since 4Q19, $ 30,000 million in 2Q20, $ 30,000 million in 3Q20, $ 50,000 million in 4Q20, $ 24,000 million in 1Q21, I$ 18,000 million in 2Q21 and $ 30,000 million in 3Q21 and the Ch$60,000 million in 4Q21.

3. Amount includes gross loans with at least one installment 90 days overdue.

4. Impaired loans include: (A) for loans individually evaluated for impairment, (i) the carrying amount of all loans to clients that are rated C1 through C6 and (ii) the carrying amount of loans to an individual client with a loan that is non-performing, regardless of category, excluding residential mortgage loans, if the past-due amount on the mortgage loan is less than 90 days; and (B) for loans collectively evaluated for impairment, (i) the carrying amount of total loans to a client, when a loan to that client is non-performing or has been renegotiated, excluding performing residential mortgage loans, and (ii) if the loan that is non-performing or renegotiated is a residential mortgage loan, all loans to that client.

5. LLA / total loans. Measures the percentage of loan the bank has provisions given internal models and FMC regulations. Adjusted to include $ 16,000 million in additional provisions since 4Q19, $ 30,000 million in 2Q20, $ 30,000 million in 3Q20, $ 50,000 million in 4Q20, $ 24,000 million in 1Q21, I$ 18,000 million in 2Q21 and $ 30,000 million in 3Q21 and the Ch$60,000 million in 4Q21.

6. LLA / NPLs. Adjusted to include $ 16,000 million in additional provisions since 4Q19, $ 30,000 million in 2Q20, $ 30,000 million in 3Q20, $ 50,000 million in 4Q20, $ 24,000 million in 1Q21, $ 18,000 million in 2Q21 and $ 30,000 million in 3Q21 and the Ch$60,000 million in 4Q21.

7. LLA of commercial and consumer loans / NPLs of commercial and consumer loans. Includes the additional provision of Ch$70,000 billion in commercial and the liberation of Ch$10,000 million for consumer in 4Q20, Ch$20,000 million of additional provisions per portfolio in June and July 2020, Ch$16,000 million in 4Q19, the Ch$24,000 million in 1Q21, the Ch$18,000 million in 2Q21, the Ch$30,000 million in 3Q21 and the Ch$60,000 million in 4Q21 in the commercial loan portfolio.

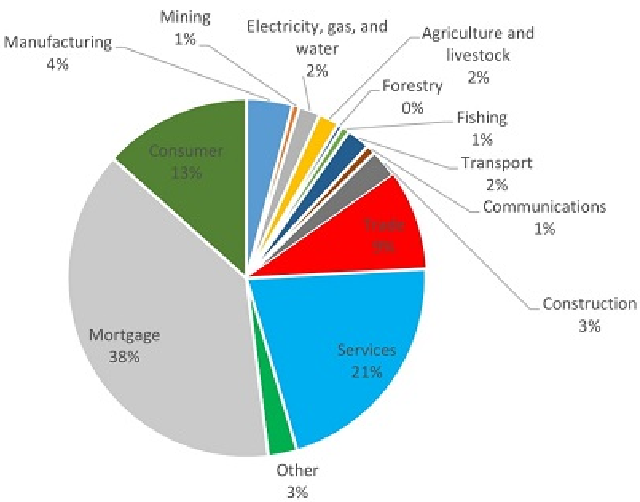
8. LLA of consumer loans/consumer NPLs. Adjusted to include the additional provision of Ch$16,000 million in 4Q19, Ch$10,000 million in June 2020, Ch$10,000 million in July 2020 and the liberation of Ch$10,000 million in additional provisions in 4Q20.

9. LLA of commercial loans/ commercial NPLs. Adjusted to include the additional provision of Ch$10,000 million in June and Ch$10,000 million in July 2020, the Ch$70,000 million in 4Q20, the Ch$24,000 million in 1Q21, the Ch$18,000 million in 2Q21, the $30,000 million in 3Q21 and Ch$60,000 million in 4Q21.

10. LLA of mortgage loans/mortgage NPLs. Adjusted to include the additional provision of Ch$10,000 million in June and Ch$10,000 million in July 2020, and the Ch$10,000 million in 4Q20.

Distribution by economic sector

The Bank's portfolio is also highly diverse in terms of economic sector, with no particular industry representing a significant portion, therefore increasing the possibility of maintaining a stable loan book through time.



B. Market risk

There are four significant market risks that may affect the Bank: liquidity, exchange rate, inflation, and interest rate. The measure and control of market risks are the responsibility of Market Risk Management, which is part of the Risk Division. The limits are approved by the various committees in charge, with responsibility falling primarily under the Market Committee and the Asset and Liabilities Committee (ALCO). The main market risks are also reviewed by the Comprehensive Risk Committee.

Liquidity Risk

The Finance Division manages the liquidity risk using a liquid assets portfolio to ensure the Bank always keeps enough liquidity to cover short-term fluctuations and long-term financing while adhering to regulatory internal liquidity requirements. It is also the area in charge of managing the Bank's balance sheet, particularly in regards to liquidity and sensitivity analysis. This area has the following functions, which are supervised and controlled by the ALCO and the Risk Division:

- Optimization of the cost of liabilities, seeking the most efficient financing strategies, including the issuance of bonds and bank lines.
- To handle short-and long-term liquidity regulatory limits.
- Management of inflation risk.
- To manage the risk of local and foreign currency rates.

The Financial Management Division receives information from all the business units on the liquidity profile of their financial assets and liabilities, as well as breakdowns of other projected cash flows stemming from future businesses. On the basis of that information, the Financial Management Division maintains a portfolio of liquid short–term assets, comprised mainly of liquid investments, loans and advances to other banks, to make sure the Bank has sufficient liquidity. The business units' liquidity needs are met through short–term transfers from the Financial Management Division to cover any short–term fluctuations and long–term financing to address all the structural liquidity requirements.

The Bank monitors its liquidity position every day, determining the future flows of its outlays and revenues. In addition, stress tests are performed at the close of each month, for which a variety of scenarios encompassing both normal market conditions and conditions of market fluctuation are used. The liquidity policy and procedures are subject to review and approval by the Bank's Board. Periodic reports are generated by the Market Risk Department, providing a breakdown of the liquidity position of the Bank and its subsidiaries, including any exceptions and the corrective measures adopted, which are regularly submitted to the ALCO for review.

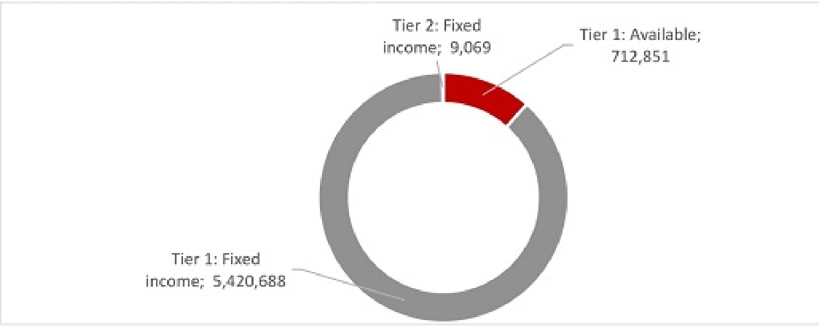
The Bank relies on demand deposits from Retail, Middle-Market and Corporates, obligations to banks, debt instruments, and time deposits as its main sources of funding. Although most obligations to banks, debt instruments and time deposits mature in over a year, customer (retail) and institutional deposits tend to have shorter maturities and a large proportion of them are payable within 90 days. The short–term nature of these deposits increases the Bank's liquidity risk, and hence, the Bank actively manages this risk by continual supervision of the market trends and price management.

High-Quality Liquid Assets

High-Quality Liquid Assets (HQLA) are an essential component in liquidity risk management. They consist of balance sheet assets, mainly comprised of financial investments that are not consigned as collateral, have low credit risk, and have a deep secondary market. According to the Basel III standards, these assets are divided into three levels, with Tier 1 assets being the most liquid and Tier 3 assets being the least liquid.

As of the June 30, 2022 the Bank's HQLA amounted to Ch$ 6,142,608 million and corresponded primarily to Level 1 liquid assets, mainly composed of bonds from the Republic of Chile, the Central Bank of Chile, and the US Treasury.

Liquid Assets (Consolidated Ch$ million)



In terms of liquidity, the main metrics that the Bank's Finance Division manages are:

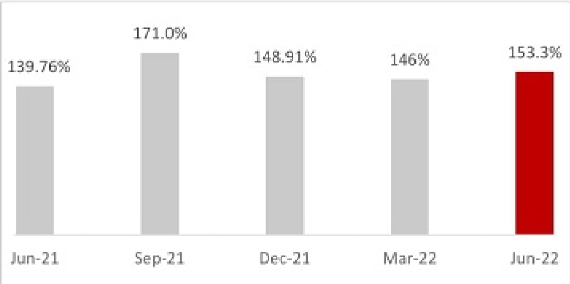
1. Liquidity Coverage Ratio (LCR)
2. Net Stable Finance Ratio (NSFR)

LCR

Liquidity coverage ratio (LCR), which measures the percentage of Liquid Assets over Net Cash Outflows. As of April 2019, Chilean banks began reporting their local LCR figures with a minimum level of 60% in 2020, 80% in 2021 and 100% in 2022. This indicator is required by the Basel III standards and provides a sustainable maturity structure for assets and liabilities, allowing banks to maintain a stable funding profile in relation to their activities.

As of June 30, 2022, this indicator for Banco Santander Chile was 153.3%, above the minimum. This is a reflection of the conservative liquidity requirements set by the Board through the ALCO committee.

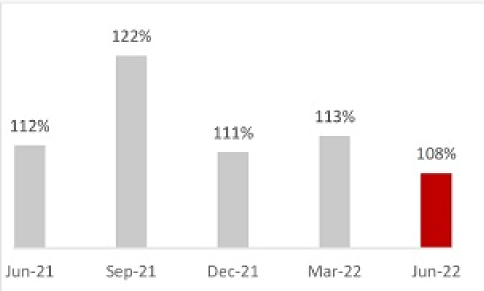
Evolution of the LCR



NSFR

This indicator is a local regulatory version of the NSFR required by Basel III, which provides a sustainable maturity structure for assets and liabilities, so that banks maintain a stable funding profile in relation to their activities. As of June 30, 2022, the NSFR was at 108.5%. The limit for this indicator in 2022 was set at 60%.

Evolution of the NSFR



Interest rate risk

For the financial management portfolio (bank book), the Bank has more liabilities than assets exposed to short-term rates, and from this, mismatches occur when there are rate adjustments. To manage this risk, Banco Santander performs a sensitivity analysis with respect to local and foreign currency. Through simulations, limits are set in relation to the maximum loss that rate movements may have on capital and net financial income budgeted for the year.

	June 30, 2022	
	Effect in net interest income	Effect on capital
Financial management portfolio – local currency (in millions of Ch$)		
Loss limit	33,550	95,710
High	26,876	61,614
Low	20,356	39,957
Average	23,526	48,537
Financial management portfolio – foreign currency (in millions of U.S.$)		
Loss limit	41,495	47,028
High	9,713	33,388
Low	1,049	19,897
Average	5,324	28,662
Financial management portfolio – consolidated (in millions of Ch$)		
Loss limit	33,550	95,710
High	28,699	74,314
Low	20,065	56,857
Average	24,610	67,632

The Bank also manages its short- and long-term exposure to interest rates according to the FMC and Central Bank regulations, both for the trading portfolio and for the banking book. At the end of June 2022, the trading portfolio had an available margin of 31.4%. The banking book had an available margin of 30.3% for short-term exposure and 41.8% for long-term exposure.

Regulatory market risk	As of June 30, 2022
Ch$ million	
Market risk of the trading portfolio (ERM)	
Exposure to interest rates of the trading portfolio	418,432
Exposure to currrencies of the trading portfolio	12,634
Risk from interest rate options	-
Risk from foreign currency options	1,027
Total market risk from the trading portfolio	**432,093**
10% x Risk weighted assets	**3,769,680**
Subtotal	**4,201,773**
Limit = Regulatory capital	**6,128,175**
Disposible margin	**31.4%**
Market risk of non-trading portfolio	
Exposure to short term interest rates	265,841
Exposure to inflation risk	184,288
Exposure to long term interest rates	1,247,659
Total market risk of non-trading portfolio	**1,697,788**
Regulatory limit of exposure to short term interest rate risk and inflation risk	
Exposure to short term interest rate risk	265,841
Exposure to inflation risk	184,288
Limit: 35% of (net income from interest and readjustments and net fees sensitive to interest rates)	645,810
Disposible margin	**30.3%**
Regulatory limit of exposure to long term interest rate risk	
Exposure to long term interest rate risk	1,247,659
35% of regulatory capital	2,144,861
Disposible margin	**41.8%**

In the case of the trading portfolio, this risk is managed through Value at Risk (VaR) limits, where it remained within the established risk limits.

VaR trading portfolio

	As of June 30, 2022 US$ million
Fixed-income investments	
High	8.89
Low	2.06
Average	3.41

Exchange rate risk

Due to the rules established by the Assets and Liabilities Committee (ALCO) and the Markets Committee, the Bank must not have a significant exposure to foreign currencies; therefore, all exchange rate risk is included in the trading portfolio and is measured and controlled with Value at Risk (VaR) limits.

	As of June 30, 2022 US$ million
Foreign currency investments	
High	3.33
Low	0.22
Average	1.04

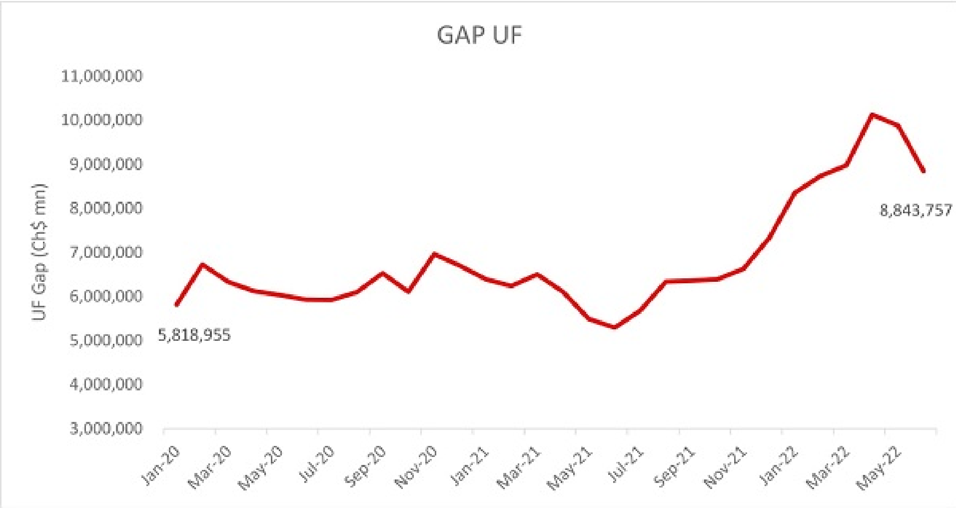
Consolidated VaR

The following table shows the evolution of the Bank's consolidated VaR of the trading portfolio, which includes the exchange rate risk and the interest rate risk of the trading portfolio.

VAR	As of June 30, 2022 US$ million
Consolidated VAR	
High	9.59
Low	2.04
Average	3.90
Fixed-income investments	
High	8.89
Low	2.06
Average	3.41
Variable-income investments	
High	0.04
Low	-
Average	0.14
Foreign currency investments	
High	3.33
Low	0.22
Average	1.04

Inflation risk

The bank has assets and liabilities that are readjustable according to the variation of the Unidad de Fomento (UF). In general, the Bank has more assets than liabilities in UF and, therefore, moderate rises in inflation have a positive effect on income from readjustments, while a fall in the value of the UF negatively affects the margin of the Bank. To manage this risk, the ALCO establishes a set of limits on the difference between assets and liabilities denominated in UF.


GAP UF
UF Gap (Ch$ mn)
11,000,000
10,000,000
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
5,818,955
8,843,757
Jan-20
Mar-20
May-20
Jul-20
Sep-20
Nov-20
Jan-21
Mar-21
May-21
Jul-21
Sep-21
Nov-21
Jan-22
Mar-22
May-22

C. Operational risk

Overall, the COVID-19 pandemic has resulted in increased exposure to inherent operational risk, although the Bank has established greater oversight over controls in order to maintain pre-COVID-19 operational risk levels, in addition to reinforcing existing ones. In general, the indicator of operational risk events on operating income has remained stable and below the system average. As of June 30, 2022, operating loss increased 24.1% compared to the same period last year explained by an increase in labor related and processing losses. Close monitoring has been carried out on the following aspects:

- Business continuity plans to effectively to support our employees, customers and businesses.
- The COVID-19 pandemic and remote work arrangements have a direct impact on the field of cyber threats and their associated risks as more employees work from home. We also have strengthened control mechanisms to give greater support to the control environment (patching, navigation control, data protection and other controls, etc.).
- Increased technological support to ensure adequate customer service and the correct provision of services, especially in online banking and call centers.
  The risk of transaction processing has increased due to the volume of new loans and multiple changes in existing portfolios resulting from public assistance programs and internal policies.
- There have been no relevant events related to the COVID19 situation.

Net losses from operational risks

	Jun-22	Jun-21	Jun-22/Jun-21
Fraud	1,387	629	120.5%
Labor related	2,997	384	680.4%
Client / product related	44	106	(58.9%)
Damage to fixed assets	10	129	(92.5%)
Business continuity / systems	25	43	(42.3%)
Processing	1,245	3,307	(62.4%)
Total	**5,707**	**4,598**	**24.1%**

Section 7: Credit risk ratings

The Bank has the following credit risk ratings:

International ratings

Moody's	Rating
Bank Deposit	A1/P-1
Baseline Credit Assessment	A3
Adjusted Baseline Credit Assessment	A3
Senior Unsecured	A1
Commercial Paper	P-1
Outlook	Negative

Standard and Poor's	Rating
Long-term Foreign Issuer Credit	A-
Long-term Local Issuer Credit	A-
Short-term Foreign Issuer Credit	A-2
Short-term Local Issuer Credit	A-2
Outlook	Stable

JCR	Rating
Foreign Currency Long-term Debt	A+
Outlook	Stable

HR Ratings	Rating
HR	AA-
Outlook	Stable

KBRA	Rating
Senior Unsecured Debt	A
Outlook	Stable

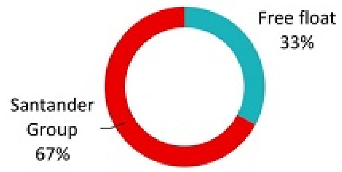
Local ratings

Local ratings	Feller Rate	ICR
Shares	Nivel 1	1CN1
Short-term deposits	N1+	N1+
Long-term deposits	AAA	AAA
Mortgage finance bonds	AAA	AAA
Senior bonds	AAA	AAA
Subordinated bonds	AA+	AA+

Section 8: Share performance

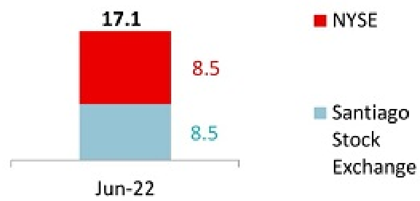
As of June 30, 2022

Ownership Structure



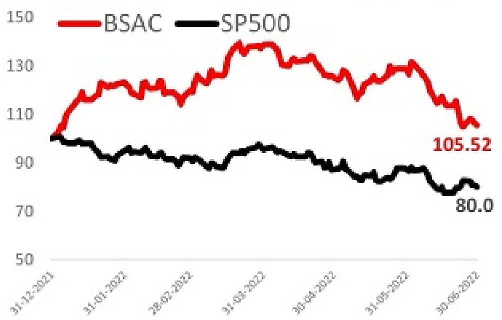
Average daily traded volumes LTM 6M22

US$ million, Last Twelve Months



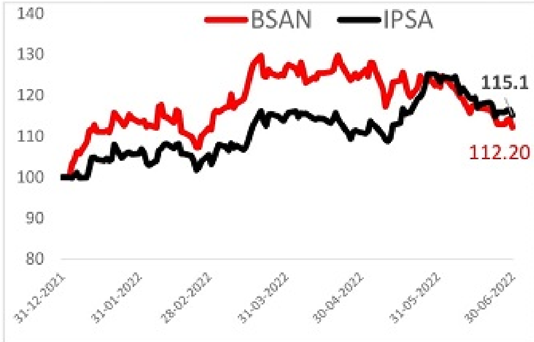
Total shareholder return

Santander ADR vs. SP500 (Base 100 = 12/31/2021)



Total shareholder return

Santander vs. IPSA Index (Base 100 = 12/31/2021)



Share Price

ADR Price (US$) 6M22	
06/30/2022:	16.29
Maximum (6M22):	22.72
Minimum (6M22):	13.97

Local Share Price (Ch$) 6M22	
06/30/2022	37.05
Maximum (6M22):	45.43
Minimum (6M22):	35.00

Stock Information

Market Capitalization:	US$7,750 million
P/E 12month trailing*:	8.7
P/BV ((06/30/2022)**:	1.88
Dividend yield***:	5.5%

* Price as of June 30, 2022 / 12mth. earnings

** Price as of June 30, 2022 /Book value as of 06/30/2022

***Based on closing price on record date of last dividend payment

Dividends

Year paid	Ch$/share	% of previous year's earnings
2019	1.88	60%
Apr & Nov 2020	1.76	60%
2021	1.65	60%
2022	2.47	60%

Annex 1: Strategy and Responsible Banking

Our strategy

Our success is based on our clear purpose, mission and style in everything we do.
We are building a more responsible bank.

For six years, The Santander Way has been guiding employees in the organization. This model comprises mission, vision, values, risk culture, and behaviors.

Companies with a solid internal culture attract and retain talent and perform better. Behaviors have, therefore, 'evolved' in The Santander Way, enabling us to face future challenges marked by our attention to the customer.

Purpose	Mission	Our style	Our seal
To help people and businesses prosper	To be the best bank, acting responsibly and gaining the loyalty of its customers, shareholders, employees and communities.	**Simple:** To offer customers products that are easy to understand and to be efficient and decisive in providing solutions to their needs. To do this, Santander needs its systems and processes to be simple to operate, enabling its employees to deliver clear answers with the agility that customers require. **Personal:** To have differentiated service models, offering each customer a tailor-made service adapted to their individual needs. It is also the commitment with the Bank's collaborators so they can develop their full potential and achieve their professional goals. **Fair:** To play fair, respecting and enforcing the rules. It's fairplay. Santander must be transparent in its relations with its stakeholders and fulfil its promises, contributing to the community.	Excellence in execution.

The evolved behaviors have been created around a single word: 'T.E.A.M.S'.

T

Think Customer

- I take care of the relationship with my clients, and I do my best to gain their trust and loyalty.
- Keeping the customer in mind means going above and beyond to gain the loyalty and trust of the people we serve.

E

Embrace Change

- I face new challenges and look for new ways of doing things as an opportunity to grow.
- Change requires effort and will inevitably meet with some resistance. The challenge is to address it with a mindset focused on opportunity.

A

Act Now

- I take the initiative with responsibility and keep things simple.
- Growing companies move as an agile collective, without bureaucracy and complicated processes. That's the way we should be.

M

Move together

- I promote collaboration and work together with my colleagues to achieve common goals.
- The best teams make the most of each member's capabilities to achieve their goals.

S

Speak up

- I express my ideas and concerns with respect and no strings attached. Therefore, I feel comfortable receiving and giving feedback.
- We all have to express ourselves. If problems, ideas and solutions are not shared, things will never get better.

Responsible Banking

Santander has determined two fundamental challenges concerning responsible banking:

Challenge 1: New business environment

The development of responsible banking requires a solid and wellfounded culture that can counter the new demands of an increasingly changing and competitive business environment that can foster trust and support from the groups of interest. Accordingly, Santander has learned to assemble these various aspects into a work culture that can be summarised in three words: Simple, Personal and Fair.

Challenge 2: Inclusive and sustainable growth

Santander acknowledges that inclusive growth is more than just satisfying customers' needs. Accordingly, it has always strived to help entrepreneurs create businesses and jobs, strengthen local markets, advance financial inclusion, contribute to people's education, promote individual and collective progress, and develop social investment programs. Likewise, its sustainable growth contributes to environmental care and climate change mitigation, promoting sustainable financing while considering the environment's risks and opportunities.

During 2022 the greatest milestone in Responsible Banking was:

We published the Integrated Annual Report for 2021

We published our Integral Annual Report 2021 which complies with the GRI and SASB standards. We are constantly seeking to publish more financial and nonfinancial information that are important for investment decisions today. Many of these indicators were verified externally by EY. Our latest report can be found in the following link: https://santandercl.gcs-web.com/financials/annual-reports

We received Top Employer Certification 2022

In the first quarter of 2022, for the third consecutive year were awarded as Top Employed by the Top Employer Institute, which recognizes companies with a strong value proposition for its employees as well as the conditions for career development.

The six Responsible Banking Principles define a global standard of what it implies to be a responsable bank and are aligned with the UN Sustainable Development Goals and the Paris Climate Agreement. These are:

Responsible Banking Principles

Alignment

Align the commercial strategy to be coherent with individuals' needs and society's goals.

Impact

To increase the positive impacts while reducing the negative effects of the organisation's activities, products, and services.

Clients

Work responsibly with clients to encourage sustainable practices and enable economic activities that create shared prosperity..

Transparency and responsibility

To periodically review the implementation of these principles and be transparent and responsible for the positive and negative impacts of the organisation.

Corporate governance and setting of goals

Rely on effective corporate governance and a responsible banking culture.

Interested parties

Refer, participate, and collaborate proactively and responsibly with interested parties.

10 Responsible Banking Goals

Additionally, starting 2019 Santander set goals associated to responsible banking, aligned with people and the community.

Challenge	Goals	Progress
New business environment	1. **Be the best Company to work for in Chile.** We seek to maintain that leadership position.	For the third consecutive year, we received the Top Employer certification.
	2. **Increase the percentage of women in executive positions:** Achieve that 30% of women are in managerial positions by 2025.	Currently 28.3% of women are in managerial positions.
	3. **Eliminate the gender pay gap:** Our goal is to eliminate the gender pay gap by 2025. The Seal Iguala Conciliación from the Ministry of Gender and Equity gives us a pathway to advance forward.	We currently have a gender pay gap of 2.5%
Inclusive and sustainable growth	4. **Work to financially empower people:** Through our financial products such as Life we want to empower four million people by 2025.	Between 2019 and June 2022 we have financially empowered 2,052,547 people.
	5. **Grant sustainable financing to clients:** We have a goal for 2025 to finance our own projects and that of our clients for at least US$1.5 billion through our ESG framework.	By March 31, 2022 we had a flow of $156,694 million, equivalent to US$200 million in sustainable financing. In total, we have US$467.3 million in sustainable financing. In 2Q22 the Santander Group published our ESG framework, facilitating the issuance of ESG bonds going forward.
	6. **Increase energy from renewable sources:** We are committed to procure that 100% of energy comes from non-conventional renewable energy by 2025.	25.6% of our energy is from renewable sources. During this year, the bank will generate its own renewable energy, through a contract with Gasco Luz and Fourtrees Capital to build six solar plants of 300kW each in the regions of Coquimbo, Valparaíso and the Metropolitan region.
	7. **Be carbon neutral**: We are part of the Group's goal to be carbon neutral by 2050. Our goal is to be carbon neutral by 2025,	Sin 2019 we mitigate 100% of our carbon footprint. Now we are in the

without the need to compensate for our carbon footprint through carbon bonds.	process of classifying our loan book in order to measure the carbon footprint of our clients.
8. **Eliminate single-use plastic waste in corporate buildings and branches.**	In 2021 we eliminated 100% of our single-use plastic waste.
9. **Bestow scholarships, internships, and programs for entrepreneurs:** We want to grant 13,500 scholarships, internships and entrepreneur programs between 2019 and 2024.	Since 2019 to March 2022 we granted 5,569 education and entrepreneur scholarships in Chile.
10. **Support people through community aid programs:** In social themes between 2019 and 2024 we want to support more than 500,000 people through our community programs.	Between 2019 and June 2022 we have supported 348,246 people through education programs and other means of support to benefit people in vulnerable situations.

ESG Indicators

As a result of the commitment Santander has to people, the environment and good corporate governance, manifested through the main sustainable development and responsible banking initiatives, Santander has achieved the following ESG indicators:

Dow Jones Sustainability Indexes

Included in Chile, MILA and Emerging Markets
International index that evaluates the sustainable development of the Environmental, Social and Governance aspects. Currently we have 77 points, and in the 91st percentile.

vigeoeiris

Advanced

MSCI

FTSE4Good

Included in the Latam Emerging and Global Emerging Indices. Positive evaluation in the Social and Environmental dimension compared to other Banks.

Strategic pillars

Clients

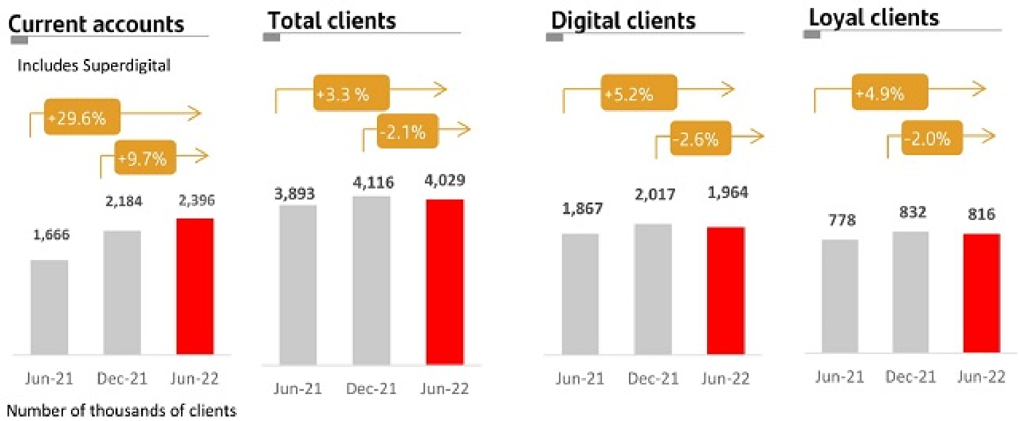
We want to offer innovative, sustainable financial solutions that have purpose and excellence while providing the best experience, earning our clients' loyalty.
Focus: Experience | Consultancy | Digital | Scale

Main KPIs

		2020 Results	2021 Results	June 2022 Results
Clients	NPS	51% Top 1 (Gap of 3 with second place)	60% Top 1 (Gap of 7 with second place)	55% Top 1 (Gap of 2 with second place)
	Total clients	3,607,609 (+5.5%)	4,116,301 (+14.1%)	4,028,551 (+3.5% YoY)
	Loyal clients	764,407 (+8.6%)	832,405 (+8.9%)	815,627 (+4.9% YoY)
	Digital clients	1,546,524 (+24.0%)	2,016,947 (+30.4%)	1,964,191 (+5.2% YoY)

Note: Comparison and year-on-year growth

During the quarter customers with current accounts (including Superdigital accounts) continued to grow, growing 9.7% YTD and 29.6% YoY, attracted by our digital product offering. Digital customers grew 5.2% YoY and loyal customers (individual customers who have 4 products or more with a minimum level of profitability and usage and companies with a minimum profitability and usage of products) grew 4.9% YoY.



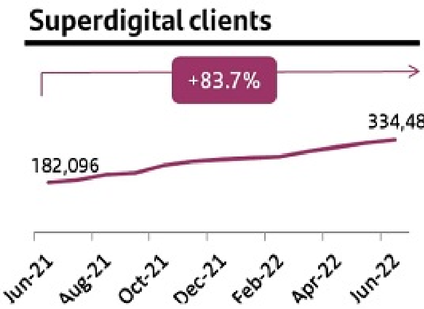
Launch of Prospera and Cuenta Pyme Life, our initiatives to bancarize SMEs and microentrepreneurs

According to a study by INE in 2019 there were some 745,000 formal microentrepreneurs. In the first quarter of 2022 we launched Prospera Cuenta Pyme Life, both initiatives to foster SME bankarization and supporting micro-entrepreneurs. Prospera is a simple current account to open without any minimum sales prerequisites for people that enables them to do transactions for their business easily. For a single payment of $19,990 they receive a mobile POS that permits them to receive same day sale deposits and receive payments directly on their phone. Cuenta Pyme Life is for people that have a company open. In Chile, there is a government platform designed so any one can open a company in one day, without any hassles or tedious paperwork. These same companies that are opened quickly and digitally also look to open an account in the same manner, just like Cuenta Pyme Life which is 100% digital. The first six months are free and these new companies gain access to a current account and debit card as well as Office Banking, the transactional platform from companies. Both alternatives are unique in the market, focused on micro entrepreneurs that are quickly cross-sold through a current account, debit account and Getnet. In the future, these clients will also have access to loans.

Life surpasses 1 million clients

Santander Life continues to be the main contributor in new client growth due to the success of the Meritolife program of this product and the digital onboarding process of current account openings. The total number of Life clients as of June 2022 increased 42.0% YoY and in the second quarter 2022 Life opened 59,366 current accounts reaching a total of 1,035,984 clients. Santander Life clients are quickly monetized and have a high NPS score throughout the incorporation process.

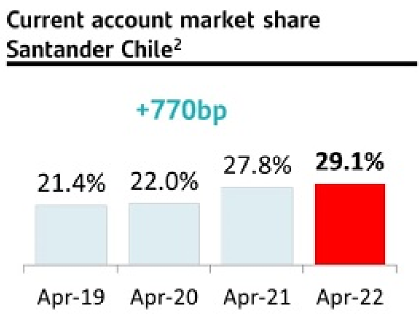
Superdigital continues its acceleration in client acquisition with 42,010 new clients in the quarter, reaching a total of 334,484 clients. This prepaid digital account is an attractive alternative for clients with little access to the banking ecosystem especially during the pandemic when through the pandemic many could receive and manage their money from government initiatives. Additionally, Superdigital has important alliances with companies like Uber and Cornershop, attracting new clients. In January 2022 we signed an agreement with Todas Conectadas, a platform for women entrepreneurs in Latin America and the Caribbean by the United Nations, Mastercard and Microsoft. Superdigital will be the account that enables these women to receive payments, and have access to financial education classes and benefits, free of cost.

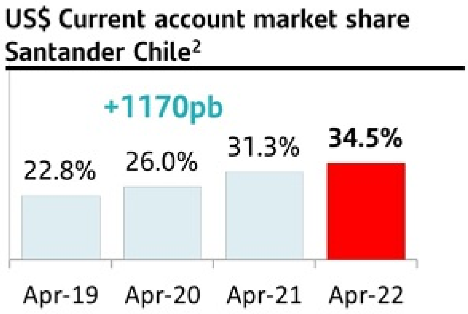


Current account market share increases 130 bp to 29.1%

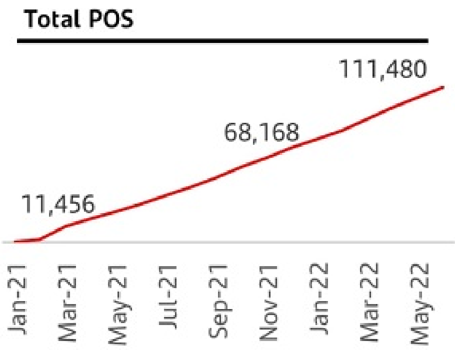
As a result of our efforts, the market share of the Bank in current accounts continues to rise drastically. According to the latest information available, as of April 2022, the net current account openings were equivalent to over 51.3% of total accounts opened in the rest of the banking system in the last twelve months, reaching a market share of 29.1% in current accounts. These numbers do not include Superdigital since these are categorized as debit cards.

Furthermore, with the volatility in the exchange rate, we have seen increasing demand from clients for US$ current accounts.





The success of Getnet continues



The entrance of Getnet in the acquiring market in Chile continues to show good results. The reception of clients has been high with over 111,000 POS installed for 93,000 clients, of which 94% are SMEs. Through Prospera, we have started selling mobile POS, a more compact POS, and currently we have sold over 3,200 of these mPOS. Furthermore in 2Q22 Getnet launched ecommerce, attracting some 280 business with some Ch$ 347 million in sales in June. Getnet has an NPS of 61 points, with over $318 billion in monthly sales through our POS. A key characteristic has been receiving the deposit of sales up to 5 times a day including weekends. Getnet generated fees for about $9,170 million in 2022 so far.

We continue to grow our Work/Café branches

With the pandemic, the Workcafé branch transformation continues. During the last year, we have opened 9 Workcafés, while we have closed 34 branches, mainly Select branches, aimed at higher income clients and traditional branches. In total, we currently have 310 branches, 9.9% less than last year.

Employees

We want to be the best company to work in Chile, committed to our SPF culture
Focus: Empathetic, committed, and flexible culture
| Leadership at the service of culture | Cultivate the vocation to learn

Main KPIs

		2020 Results	2021 Results	June 2022 Results
Employees	Commitment index	87% in 2019. During 2020, due to the pandemic a survey was not conducted	94%	This is now being measured on a quarterly basis through a new survey in order to have information in a timelier form. As of June, this measure was 80%
	Leadership index	87% in 2019. During 2020, due to the pandemic a survey was not conducted	95%	This is now being measured on a quarterly basis through a new survey in order to have information in a timelier form. As of June, this measure was 9/10.
	Diversity		21.5% in leadership positions 1.2% with disability	28.3% in leadership positions
	Gender pay gap		2.5%	2.5%

For more indicators on employees, please see the 10 Responsible Banking commitments.

We want to be a more profitable and sustainable bank with solid capital levels and optimal management of all risks.
Focus: Profitability and sustainability| Risks and capital

Shareholders

Main KPIs

		2020 Results	2021 Results	June 2022 Results
Shareholders	ROE	14.5%	22.7%	28.7% (Top 2)
	Efficiency	40% (Top 1)	40.1% (Top 1)[1]	37.9%[1] (Top 2)
	Asset quality	NPL 1.4% (gap of 2 bps with Peer Group)	NPL 1.2% (gap of 17 bps with Peer Group)	1.5%
	Solvency CET1	10.7%	9.6%	9.6% (Minimum 10% at year-end)

1. Results for 2021 and March 2022, efficiency ratio is calculated as operational expenses divided by operational income.

Investor meetings

The Bank maintains constant communication with its analysts and investors. In the quarter, we had around 290 meetings and reached around 615 meeting this year so far. We started having once again physical meetings and look forward to participating in these upcoming conferences:

August:
HSBC: ESG Summer series with LatAm Financials

September:
Credit Suisse: 16th Annual LatAm Equities Conference
Credicorp: Capital Markets Event 2022
HSBC: Global Emerging Markets Forum

October:
BTG Pactual: Latam CEO Conference

Be on the look out for new Investor Day in November....

Ordinary Shareholders' Meeting

We held the Ordinary Shareholders' Meeting on April 27, 2022. Among other issues, the dividend payout of 60% of 2021 earnings were approved, equivalent to a dividend yield of 5.5% with the stock price at the record date. For more information, see our website for Shareholder Meetings.

Community

We want to be recognised as a responsible bank committed to our community's well-being, encouraging environmental care and sustainable social development.
Focus: Environment | Social | Corporate governance

Main KPIs

		2020 Results	2021 Results	June 2022 Results
Community	Financial empowerment	921,779	1,693,277	2,052,547
	Support people through community aid programs.	103,792	281,212	348,246
	Sustainable financing		US$267.3 million	US$467.3 million as of March 2022
	Sustainability index	Percentile 90 DJSI Chile, MILA & Emerging Markets	Percentile 91 DJSI Chile, MILA & Emerging Markets	We are in the process of DJSI 2022
	BitSight Index	810	800	Index still not available for 2022

For more indicators on communities, please see the 10 Responsible Banking commitments.

Corporate governance

For more information on our corporate governance please see Section 3 of our Management Commentary for 1Q22.

For more information on the composition of our Board of Directors and organizational structure, please see Our Top Management on our IR website.

Latest events and material facts

During the quarter we also received the following awards:

- Euromoney awarded us Best Bank in Chile for 2022.
- Santander was recognized as best bank for Treasury and cash management in Chile by Global finance.
- Global Finance awarded us with a Sustainable finance award for Chile for 2022.
- Best digital bank in Chile for 2022 by Global Banking and Finance.

Also the Santander Group has announced a new corporate building for Santander Chile to be ready in 2026, involving an investment of US$ 350 million. The building will meet the most high standards of sustainability and energy efficiency.

Shareholders' meeting

In the Ordinary Shareholder's Meeting of Banco Santander Chile on April 27, 2022, along with the approval of the 2021 Consolidated Financial Statements, it was agreed to distribute 60% of earnings attributable to shareholders, which were $774,959 million as of December 31, 2021. These earnings correspond to $2.46741747 for each share. The remaining 40% were assigned to the Bank's reserves.

The following was also approved:

- Determination of Board remuneration
- Appointment of external auditors: PricewaterhouseCoopers Consultores Auditores SpA were approved as auditors for the year 2022.
- Designation of local risk rating agencies Feller and ICR.
- Report of the Directors and Audit Committee, determination of the remuneration of its members and the budget of expenses for its operation for 2022.
- Give a report of the related party transactions.

Material Facts:

22-03-2022	Ordinary meetings, citations, agreements and proposals. Pursuant to the provisions of articles 9 and 10 of Law No. 18,045, it is reported that in today's ordinary session, the Board of Directors of Banco Santander-Chile agreed to call an Ordinary Shareholders' Meeting, to be held solely and exclusively by means of remote communication, for Wednesday, April 27, 2022.
28-04-2022	Ordinary meetings, citations, agreements and proposals. Reports as an essential fact that the Ordinary Shareholders' Meeting was held on April 27, 2022, attaching a copy of the notice published on April 28 in the newspaper El Mercurio, where it communicates the agreement adopted at said meeting to distribute a dividend of $2 .46741747 per

share, which is available to shareholders at the bank's headquarters or at any of its branches, both in the Metropolitan Region and in the rest of the country.

Subsequent events

27-07-2022 **Changes to organizational structure**

In accordance with the provisions of articles 9 or 10 of Law No. 18,045, on the Securities Market, and other pertinent legal regulations, I comply with informing you as an essential fact that Mr. Miguel Mata Huerta leaves the position of General Manager of Banco Santander-Chile from next August 1. He will be replaced from that day on by Mr. Román Blanco Reinosa, an executive with vast experience in the Santander Group.
Notwithstanding the foregoing, Mr. Mata will continue collaborating for the time necessary to carry out an adequate transition.
The foregoing was approved in an extraordinary meeting of the Banco Santander-Chile board of directors held today, thanking Mr. Miguel Mata for his contribution to the bank and Grupo Santander in Chile.

Annex 2: Balance sheet

Assets	Jun-22	Dec-21	Jun-22/Dec-21
	Ch$ Million		% Chg.
Cash and deposits in banks	2,890,381	2,881,558	0.3%
Cash items in process of collection	507,463	390,271	30.0%
Financial assets for trading at fair value through earnings	14,579,153	9,567,818	52.4%
Financial derivative contracts	*14,495,254*	*9,494,471*	*52.7%*
Financial debt instruments	*83,899*	*73,347*	*14.4%*
Financial assets at fair value through other comprehensive income	6,020,627	5,900,796	2.0%
Financial debt instruments	*5,945,398*	*5,801,378*	*2.5%*
Other financial instruments	*75,229*	*99,418*	*-24.3%*
Financial derivative contracts for hedge accounting	894,425	629,136	42.2%
Financial assets at amortized cost	41,722,124	40,262,257	3.6%
Investments under resale agreements	-	-	--%
Financial debt instruments	4,581,663	4,691,730	-2.3%
Interbank loans, net	*12*	*428*	*-97.2%*
Loans and account receivables from customers-Commercial	*17,684,096*	*17,033,456*	*3.8%*
Loans and account receivables from customers-Mortgage	*14,617,466*	*13,802,214*	*5.9%*
Loans and account receivables from customers-Consumer	*4,838,886*	*4,734,429*	*2.2%*
Investments in associates and other companies	41,264	37,695	9.5%
Intangible assets	93,326	95,411	(2.2%)
Property, plant and equipment	173,857	190,290	(8.6%)
Assets with leasing rights	180,136	184,528	(2.4%)
Current taxes	8,304	121,534	(93.2%)
Deferred taxes	321,619	418,763	(23.2%)
Other assets	3,424,991	2,932813	16.8%
Non-current assets and groups for sale	26,769	22,207	20.5%
TOTAL ASSETS	**70,884,440**	**63,635,077**	**11.4%**

LIABILITIES	Jun-22	Dec-21	Jun-22/Dec-21
	Ch$ Million		% Chg.
Cash items in process of being cleared	426,556	379,934	12.3%
Financial liabilities for trading at fair value through earnings	14,222,893	9,507,031	49.6%
Financial derivative contracts	*14,222,893*	*9,507,031*	*49.6%*
Financial derivative contracts for hedge accounting	2,382,889	1,364,210	74.7%
Financial liabilities at amortized cost	44,989,235	44,063,540	2.1%
Deposits and other demand liabilities	*15,725,629*	*17,900,938*	*(12.2%)*
Time deposits and other time liabilities	*11,893,299*	*10,131,055*	*17.4%*
Obligations under repurchase agreements	*811,731*	*86,634*	*837.0%*
Interbank borrowings	*9,243,716*	*8,826,583*	*4.7%*
Issued debt instruments	*7,013,641*	*6,935,423*	*1.1%*
Other financial liabilities	*301,219*	*182,907*	*64.7%*
Obligations for leasing contracts	140,180	139,795	0.3%
Financial instruments of issued regulatory capital	2,297,706	2,054,105	11.9%
Provisions for contingencies	159,342	165,546	(3.8%)
Provisions for dividend, payment of interest and re-appreciation of financial instruments of issued regulatory capital	161,539	238,770	(32.3%)
Special provisions for credit risk	294,596	288,995	1.9%
Current taxes	1,995	-	--%
Deferred taxes	1,836	91,463	(98.0%)
Other liabilities	2,114,960	1,612,411	31.2%
TOTAL LIABILITIES	**67,193,727**	**59,905,800**	**12.2%**
EQUITY			
Capital	891,303	891,303	0.0%
Reserves	2,871,772	2,557,816	12.3%
Accumulated other comprehensive income	(520,608)	(354,364)	46.9%
Elements that will not be reclassified to earnings	592	576	2.9%
Elements that can be reclassified to earnings	(521,200)	(354,940)	46.8%
Retained earnings from prior years	(13,765)	-	-%
Income from the period	521,257	778,933	(33.1%)
Provisions for dividend, payment of interest and re-appreciation of financial instruments of issued regulatory capital	(161,539)	(238,771)	(32.3%)
Total Shareholders' Equity	**3,588,420**	**3,634,917**	**(1.3%)**
Non-controlling interest	102,293	94,360	8.4%
EQUITY	**3,690,713**	**3,729,277**	**(1.0%)**
TOTAL LIABILITIES AND EQUITY	**70,884,440**	**63,635,077**	**11.4%**

Annex 3: Income Statement YTD

	Jun-22	Jun-21	Jun-22/Jun-21
	Ch$ Million		% Chg.
Interest income	1,177,532	887,972	32.6%
Interest expense	(824,396)	(147,060)	460.6%
Net interest income	**353,136**	**740,912**	**(52.3%)**
Readjustment income	682,943	166,192	310.9%
Readjustment expense	(78,527)	(49,606)	58.3%
Net readjustment income	**604,416**	**116,586**	**418.4%**
Net income from interest and readjustment	**957,551**	**857,498**	**11.7%**
Fee and commission income	346,064	268,758	28.8%
Fee and commission expense	(154,095)	(105,169)	46.5%
Net fee and commission income	**191,969**	**163,589**	**17.3%**
Financial assets not for trading	(58,613)	7,029	(933.8%)
Result from de recognition of financial assets and liabilities at amortized cost and of financial assets at fair value with changes in other comprehensive income	16,113	2,231	622.1%
Changes, readjustments and hedge accounting in foreign currency	141,756	60,029	136.1%
Net financial result	**99,256**	**69,290**	**43.2%**
Income from investments in associates and other companies	4,393	925	375.0%
Results from non-current assets and non-continued operations	(1,953)	841	(332.2%)
Other operating income	1,241	740	67.6%
Total operating income	**1,252,458**	**1,092,883**	**14.6%**
Personnel expenses	(208,797)	(200,659)	4.1%
Administrative expenses	(144,102)	(135,686)	6.2%
Depreciation and amortization	(64,083)	(58,324)	9.9%
Impairment of non-financial assets	-	-	--%
Other operating expenses	(57,534)	(42,712)	34.7%
Total operating expenses	**(474,516)**	**(437,381)**	**8.5%**
Operating results before credit losses	**777,942**	**655,502**	**18.7%**
Expense for provisions established for credit risk of loans at amortized cost	(202,695)	(169,003)	19.9%
Expense for special provisions for credit risk	(4,797)	(44,814)	(89.3%)
Recovery of written-off loans	45,246	35,674	26.8%
Impairment for credit risk for other financial assets at amortized cost and financial assets at fair value through other comprehensive income	(356)	75	(575.1%)
Credit loss expenses	**(162,602)**	**(178,068)**	**(8.7%)**
Net income from ordinary activities before tax	**615,340**	**477,434**	**28.9%**
Income tax	(86,146)	(103,584)	(16.8%)
Consolidated income for the period	529,194	373,850	41.6%
Income attributable to shareholders	**521,257**	**370,069**	**40.9%**
Income attributable to non-controlling interest	7,937	3,781	109.9%

Annex 4: Quarterly results

	2Q22	1Q22	2Q21	2Q22/2Q21	2Q22/1Q22
		$ Million		% Chg.	
Interest income	662,085	515,447	445,010	48.8%	28.4%
Interest expense	(530,757)	(293,639)	(69,932)	659.0%	80.8%
Net interest income	**131,328**	**221,808**	**375,077**	**(65.0%)**	**(40.8%)**
Readjustment income	447,648	235,295	84,109	432.2%	90.3%
Readjustment expense	(48,891)	(29,636)	(25,386)	92.6%	65.0%
Net readjustment income	**398,757**	**205,658**	**58,723**	**579.0%**	**93.9%**
Net income from interest and readjustment	**530,085**	**427,466**	**433,800**	**22.2%**	**24.0%**
Fee and commission income	173,935	172,129	135,709	28.2%	1.0%
Fee and commission expense	(79,112)	(74,983)	(54,736)	44.5%	5.5%
Net fee and commission income	**94,823**	**97,147**	**80,973**	**17.1%**	**(2.4%)**
Financial assets not for trading	(76,319)	17,706	(18,455)	313.5%	(531.0%)
Result from derecognition of financial assets and liabilities at amortized cost and of financial assets at fair value with changes in other comprehensive income	2,021	14,092	3,005	(32.7%)	(85.7%)
Changes, readjustments and hedge accounting in foreign currency	116,696	25,060	55,529	110.2%	365.7%
Net financial result	**42,398**	**56,858**	**40,079**	**5.8%**	**(25.4%)**
Income from investments in associates and other companies	3,033	1,360	622	387.8%	123.0%
Results from non-current assets and non-continued operations	(1,053)	(900)	594	(277.4%)	17.0%
Other operating income	1,020	221	313	226.3%	361.1%
Total operating income	**670,307**	**582,152**	**556,380**	**20.5%**	**15.1%**
Personnel expenses	(111,251)	(97,546)	-103,789	7.2%	14.1%
Administrative expenses	(73,059)	(71,043)	-66,264	10.3%	2.8%
Depreciation and amortization	(32,469)	(31,614)	-30,595	6.1%	2.7%
Impairment of non-financial assets	-	-	-	--%	--%
Other operating expenses	(37,848)	(19,686)	-21,486	76.2%	92.3%
Total operating expenses	**(254,628)**	**(219,889)**	**(222,134)**	**14.6%**	**15.8%**
Operating results before credit losses	**415,679**	**362,263**	**334,246**	**24.4%**	**14.7%**
Expense for provisions established for credit risk of loans at amortized cost	(116,081)	(86,614)	-88,768	30.8%	34.0%
Expense for special provisions for credit risk	(1,879)	(2,918)	-20,599	(90.9%)	(35.6%)
Recovery of written-off loans	27,146	18,100	18,738	44.9%	50.0%
Impairment for credit risk for other financial assets at amortized cost and financial assets at fair value through other comprehensive income	(341)	(15)	105	**(424.9%)**	**2156.6%**
Credit loss expenses	**(91,155)**	**(71,447)**	**(90,524)**	**0.7%**	**27.6%**
Net income from ordinary activities before tax	**324,525**	**290,816**	**243539**	**33.3%**	**11.6%**
Income tax	(35,036)	(51,110)	-53970	**(35.1%)**	**(31.5%)**
Consolidated income for the period	**289,488**	**239,706**	**189569**	**52.7%**	**20.8%**
Income attributable to shareholders	**285,514**	**235,743**	188.045	**51.8%**	**21.1%**
Income attributable to non-controlling interest	**3,974**	**3,963**	1524	**160.7%**	**0.3%**

Annex 5: Quarterly evolution of main ratios and other information

Ch$ Million	2Q21	3Q21	4Q21	1Q22	2Q22
Loans					
Consumer loans	4,743,267	4,856,975	4,999,248	5,023,362	5,100,573
Residential mortgage loans	12,971,106	13,354,321	13,876,175	14,158,430	14,723,306
Commercial loans	16,957,074	17,539,430	17,653,446	17,589,259	18,333,042
Interbank loans	7,643	6,102	418	-	12
Total loans (including interbank)	**34,679,090**	**35,756,829**	**36,628,704**	**36,771,052**	**38,156,933**
Allowance for loan losses	(958,516)	(938,608)	(958,769)	(966,603)	(1,016,473)
Total loans, net of allowances	**33,720,574**	**34,818,221**	**35,669,935**	**36,849,688**	**38,232,162**
Deposits					
Demand deposits	17,722,252	17,367,117	17,900,917	16,880,011	15,725,629
Time deposits	11,755,807	12,489,856	10,131,056	10,159,808	11,893,299
Total deposits	29,478,060	29,856,973	28,031,973	27,039,819	27,618,928
Mutual funds (Off balance sheet)	8,300,614	8,853,114	7,891,967	7,770,152	8,012,866
Total customer funds	37,778,674	38,710,087	35,923,940	34,809,971	35,631,794
Loans / Deposits[1]	**87.2%**	**89.7%**	**97.3%**	**101.9%**	**101.0%**
Average balances					
Avg. interest earning assets	41,718,056	43,656,767	45,605,792	46,154,793	47,228,915
Avg. Loans	34,547,870	35,275,940	36,193,340	36,642,558	37,470,231
Avg. assets	56,844,125	60,483,596	64,091,888	61,691,305	65,505,470
Avg. demand deposits	16,789,441	17,632,050	17,708,223	17,222,801	16,629,112
Avg equity	3,445,010	3,357,088	3,480,832	3,676,692	3,606,745
Avg. free funds (demand plus equity)	20,234,451	20,989,138	21,189,055	20,899,493	20,235,856
Capitalization					
Risk weighted assets	33,909,159	34,985,597	37,936,332	36,483,249	38,370,970
Tier I (Shareholders' equity)	3,926,908	3,897,210	4,466,412	4,712,539	4,714,419
Tier II	1,046,217	1,055,390	1,310,419	1,426,781	1,499,637
Regulatory capital	4,973,126	4,952,600	5,776,831	6,139,321	6,214,056
Core Capital ratio	**10.1%**	**9.6%**	**9.2%**	**10.4%**	**9.6%**
Tier I ratio	**11.6%**	**11.1%**	**11.8%**	**12.9%**	**12.3%**
Tier II ratio	**3.1%**	**3.0%**	**3.5%**	**3.9%**	**3.9%**
BIS ratio	**14.7%**	**14.2%**	**15.2%**	**16.8%**	**16.2%**
Profitability & Efficiency					
Net interest margin (NIM)[2]	**4.2%**	**4.0%**	**4.4%**	**3.7%**	**4.5%**
Efficiency ratio[3]	39.9%	43.2%	35.9%	37.8%	38.0%
Costs / assets[4]	1.6%	1.6%	1.4%	1.4%	1.6%
Avg. Demand deposits / interest earning assets	40.2%	40.4%	38.8%	37.3%	35.2%
Return on avg. Equity	**21.8%**	**21.0%**	**26.7%**	**25.6%**	**31.7%**
Return on avg. Assets	1.3%	1.2%	1.5%	1.5%	1.7%
Return on RWA	2.2%	2.1%	2.5%	2.6%	2.9%

Ch$ Million	2Q21	3Q21	4Q21	1Q22	2Q22
Asset quality					
Impaired loans[5]	**1,691,481**	**1,663,906**	**1,652,788**	**1,646,745**	**1,783,876**
Non-performing loans (NPLs)[6]	**446,625**	**438,248**	**449,835**	**439,530**	**559,508**
Past due loans[7]	284,999	273,156	248,902	262,225	274,705
Loan loss reserves	(958,516)	(938,608)	(958,761)	(966,603)	(1,016,473)
Impaired loans / total loans	4.9%	4.7%	4.5%	4.5%	4.7%
NPLs / total loans	1.3%	1.2%	1.2%	1.2%	1.5%
PDL / total loans	0.8%	0.8%	0.7%	0.7%	0.7%
Coverage of NPLs (Loan loss allowance / NPLs)	214.6%	214.2%	213.1%	219.9%	181.7%
Coverage of PDLs (Loan loss allowance / PDLs)	336.3%	343.6%	385.2%	368.6%	370.0%
Risk index (Loan loss allowances / Loans)[8]	2.8%	2.6%	2.6%	2.6%	2.7%
Cost of credit (prov expense annualized / avg. loans)	1.0%	1.0%	1.3%	0.8%	1.0%
Clients and service channels (#)					
Total clients	3,893,309	4,015,157	4,116,301	4,183,188	4,028,551
Digital clients	1,867,167	1,933,581	2,016,947	1,996,386	1,964,191
Current account holders (including Superdigital)	1,848,457	2,004,722	2,184,012	2,282,296	2,395,718
Branches	344	339	326	324	310
ATMs (includes depositary ATMs)	1,257	1,259	1,338	1,433	1,469
Employees	10,240	10,018	9,988	9,854	9,541
Market information (period-end)					
Net income per share (Ch$)	**1.00**	**0.94**	**1.23**	**1.25**	1.52
Net income per ADR (US$)	**0.55**	**0.46**	**0.58**	**0.64**	0.66
Stock price	36.31	40.63	34.25	44.31	37.05
ADR price	19.87	19.77	16.29	22.59	16.29
Market capitalization (US$mn)	9,361.00	9,224.00	7,674.00	10,661.00	7,750.00
Shares outstanding	188,446	188,446	188,446	188,446	188,446
ADRs (1 ADR = 400 shares)	471	471	471	471	471
Other Data					
Quarterly UF inflation rate[9]	1.1%	1.3%	3.0%	2.4%	4.3%
Central Bank monetary policy reference rate (nominal)	0.5%	1.5%	4.0%	7.0%	9.0%
Observed Exchange rate (Ch$/US$) (period-end)	732.08	811.46	854.48	784.19	922.12

1. Ratio = (Net Loans - portion of mortgages funded with long-term bonds) / (Time deposits + Demand deposits)
2. NIM = Net interest income annualized divided by interest earning assets
3. Efficiency ratio =Operating expenses / Operating income
4. Costs / assets = (Personnel expenses + Adm. Expenses + depreciation) / Total assets
5. Impaired loans include: (A) for loans individually evaluated for impairment, (i) the carrying amount of all loans to clients that are rated C1 through C6 and (ii) the carrying amount of loans to an individual client with a loan that is non-performing, regardless of category, excluding residential mortgage loans, if the past-due amount on the mortgage loan is less than 90 days; and (B) for loans collectively evaluated for impairment, (i) the carrying amount of total loans to a client, when a loan to that client is non-performing or has been renegotiated, excluding performing residential mortgage loans, and (ii) if the loan that is non-performing or renegotiated is a residential mortgage loan, all loans to that client.
6. Capital + future interest of all loans with one installment 90 days or more overdue.
7. Total installments plus lines of credit more than 90 days overdue.
8. Based on internal credit models and CMF guidelines. Banks must have a 100% coverage of risk index.
9. Calculated using the variation of the Unidad de Fomento (UF) in the period.