

# **BANCO INTERNACIONAL S.A. AND SUBSIDIARIES**

Consolidated financial statements as of  
the years ended December 31, 2023 and 2022  
Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT

The Shareholders and Directors of  
Banco Internacional S.A. and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Banco Internacional S.A. and its subsidiaries (the "Bank"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Banco Internacional S.A. and its subsidiaries as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting standards and instructions issued by the Financial Market Commission.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in Chile. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Banco Internacional S.A. and its subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter – Acquisition of Autofin S.A.

On August 12, 2022, the Bank and the then-current shareholders of Autofin S.A. entered into a share purchase agreement, under which Banco Internacional could acquire 51% of Autofin S.A.'s shares, subject to obtaining approvals from the Financial Market Commission and the Chilean Competition Authority. In this regard, the regulatory approvals were obtained both from the Financial Market Commission, by way of Exempt Resolution No. 3265 of May 10, 2023, and from the Chilean Competition Authority, by way of Resolution dated December 14, 2022.

As described in Note 2.36 – "Business Combinations" to the consolidated financial statements, on August 1, 2023, Banco Internacional acquired 51% of Autofin S.A.'s shares. Therefore, the latter became a subsidiary of the Bank and a business support company. The fair value of the assets acquired and liabilities assumed in the acquisition of the aforementioned entity have been determined on a provisional basis as indicated in the notes to the consolidated financial statements, which accounting treatment is in accordance with International Financial Reporting Standard ("IFRS") 3, "Business Combinations," which allows adjustments (where applicable) to the above-mentioned fair values determined on a provisional basis over a period of one year. Our opinion is not modified with respect to this matter.

## **Management's responsibilities for the Consolidated Financial Statements**

Management of Banco Internacional S.A. and its subsidiaries is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards and instructions issued by the Financial Market Commission, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bank's ability to continue as a going concern for at least the next twelve months following the end of the reporting period, but not limited to that period.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control by management. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bank's ability to continue as a going concern for at least the next twelve months following the end of the reporting period, but not limited to that period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

**Other Matters**

The translation of these consolidated financial statements into English has been made solely for the convenience of readers outside of Chile.

A handwritten signature in black ink, appearing to read "Deloitte", is positioned above the date and location text.

February 29, 2024  
Santiago, Chile



# ***Consolidated Financial Statements***

*As of and for the years ended December 31, 2023 and 2022*

*(with the Independent Auditors' Report Thereon)*

## TABLE OF CONTENTS

Consolidated Statements of Financial Position  
Consolidated Statements of Income  
Consolidated Statements of Other Comprehensive Income  
Consolidated Statements of Changes in Equity  
Consolidated Statements of Cash Flows  
Notes to the Consolidated Financial Statements

MCh\$ : Amounts expressed in millions of Chilean pesos

## TABLE OF CONTENTS

<b>Consolidated Statements of Financial Position .....</b>	<b>5</b>
<b>Consolidated Statements of Income .....</b>	<b>7</b>
<b>Consolidated Statements of Other Comprehensive Income .....</b>	<b>8</b>
<b>Consolidated Statements of Changes in Equity.....</b>	<b>9</b>
<b>Consolidated Statements of Cash Flows .....</b>	<b>10</b>
Notes to the Consolidated Financial Statements .....	11
Note 1 - General information.....	11
Note 2 - Significant accounting policies .....	13
Note 3 - New accounting pronouncements issued and adopted, or issued but not yet adopted .....	41
Note 4 - Accounting changes .....	44
Note 5 - Significant events.....	44
Note 6 - Operating segments.....	50
Note 7 - Cash and cash equivalents .....	55
Note 8 - Financial assets held-for-trading at fair value through profit or loss .....	57
Note 9 - Non-trading financial assets mandatorily measured at fair value through profit or loss ....	60
Note 10 - Financial assets and liabilities designated at fair value through profit or loss .....	61
Note 11 - Financial assets at fair value through other comprehensive income .....	62
Note 12 - Financial derivative contracts for hedge accounting .....	63
Note 13 - Financial assets at amortized cost.....	73
Note 14 - Investments in companies .....	86
Note 15 - Intangible assets.....	87
Note 16 - Property, plant and equipment.....	89
Note 17 - Right-of-use assets and lease liabilities .....	90
Note 18 – Taxes .....	95
Note 19 - Other assets.....	101
Note 20 - Non-current assets for sale and liabilities included held-for sale.....	102
Note 21 - Financial liabilities held-for-trading at fair value through profit or loss .....	103
Note 22 - Financial liabilities at amortized cost.....	105
Note 23 - Regulatory capital financial instruments issued .....	108

Note 24 - Provisions for contingencies.....	109
Note 25 - Provisions for dividends, payment of interests and reappreciation of regulatory capital financial instruments issued .....	110
Note 26 - Special allowances for credit risk .....	111
Note 27 - Other liabilities .....	113
Note 28 – Equity.....	114
Note 29 - Contingencies and commitments .....	117
Note 30 - Interest income and expenses .....	119
Note 31 - Indexation income and expenses .....	120
Note 32 - Commission income and expenses.....	121
Note 33 - Net financial gain or loss .....	122
Note 34 - Share of profit or loss from investments in companies.....	124
Note 35 - Profit or loss from non-current assets held-for-sale not qualifying as discontinued operations.....	124
Note 36 - Other operating income and expenses .....	125
Note 37 - Personnel benefits and expenses .....	126
Note 38 – Administrative expenses.....	127
Note 39 – Depreciation and amortization.....	128
Note 40 – Impairment of non-financial assets .....	129
Note 41 – Expense for credit losses.....	129
Note 42 – Profit or loss on discontinued operations .....	132
Note 43 – Related party disclosures.....	132
Note 44 – Fair value of financial assets and liabilities.....	138
Note 45 – Maturities according to their remaining terms of financial assets and liabilities.....	146
Note 46 – Financial and non-financial assets and liabilities by currency .....	148
Note 47 – Management and risk reporting .....	151
Note 48 – Information on regulatory capital and capital adequacy ratios .....	162
Note 49 – Subsequent events .....	167



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2023 and 2022

		As of December 31, 2023	As of December 31, 2022
ASSETS	Note	MCh\$	MCh\$
<b>Cash and deposits in banks</b>	7	259,442	145,709
<b>Transactions pending settlement</b>	7	66,283	32,354
<b>Financial assets held-for-trading at fair value through profit or loss</b>	8	409,128	529,847
Financial derivative contracts under hedge accounting	8	369,727	509,585
Financial debt instruments	8	4,437	-
Other	8	34,964	20,262
<b>Financial assets not held-for-trading mandatorily measured at fair value through profit or loss</b>	9	279	178
<b>Financial assets designated at fair value through profit or loss</b>	10	-	-
<b>Financial assets designated at fair value through other comprehensive income</b>	11	514,707	817,172
Financial debt instruments	11	514,707	817,172
Other	11	-	-
<b>Financial derivative contracts under hedge accounting</b>	12	42,466	34,266
<b>Financial assets at amortized cost</b>	13	3,451,133	2,633,367
Assets for agreements to repurchase and securities lending	13	-	-
Financial debt instruments	13	165,429	-
Loans and advances to banks	13	-	-
Loans and advances to customers - Commercial	13	2,965,207	2,539,542
Loans and advances to customers - Mortgage	13	99,788	70,672
Loans and advances to customers - Consumer	13	220,709	23,153
<b>Investments in companies</b>	14	228	228
<b>Intangible assets</b>	15	20,365	13,641
<b>Property, plant and equipment</b>	16	2,285	2,247
<b>Right-of-use assets under lease agreements</b>	17	22,047	22,797
<b>Current tax assets</b>	18	2,068	4,923
<b>Deferred taxes</b>	18	28,819	33,006
<b>Other assets</b>	19	172,280	90,957
<b>Non-current assets held for sale</b>	20	18,652	15,034
<b>TOTAL ASSETS</b>		<b>5,010,182</b>	<b>4,375,726</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2023 and 2022

		As of December 31, 2023	As of December 31, 2022
	Note	MCh\$	MCh\$
<b>LIABILITIES</b>			
<b>Transactions pending settlement</b>	7	62,509	28,928
<b>Financial liabilities held-for-trading at fair value through profit or loss</b>	21	334,022	472,732
Financial derivative contracts under hedge accounting	21	334,022	472,732
Other	21	-	-
<b>Financial liabilities designated at fair value through profit or loss</b>	10	-	-
<b>Financial derivative contracts for hedge accounting</b>	12	54,989	53,609
<b>Financial liabilities at amortized cost</b>	22	3,906,953	3,268,610
Deposits and other on-demand liabilities	22	231,360	175,183
Deposits and other term deposits	22	1,874,639	1,607,169
Liabilities for agreements to repurchase and securities lending	22	-	-
Bank borrowings	22	811,601	579,559
Financial debt securities issued	22	986,690	905,171
Other financial liabilities	22	2,663	1,528
<b>Leasing liabilities</b>	17	16,318	17,193
<b>Regulatory capital financial instruments issued (subordinated bonds)</b>	23	154,850	153,220
<b>Provisions for contingencies</b>	24	5,488	2,555
<b>Provisions for dividends and payment of interest</b>	25	16,623	14,258
<b>Special allowances for credit risk</b>	26	24,959	24,722
<b>Current tax liabilities</b>	18	23	-
<b>Deferred taxes</b>	18	3,606	-
<b>Other liabilities</b>	27	90,249	69,414
<b>TOTAL LIABILITIES</b>		<b>4,670,589</b>	<b>4,105,241</b>
<b>EQUITY</b>			
<b>Capital</b>	28	195,388	170,388
<b>Reserves</b>	28	6,665	6,665
<b>Other comprehensive income</b>	28	5,814	1,785
Items that will not be reclassified subsequently to income	28	-	-
Items that may be reclassified subsequently to income	28	5,814	1,785
<b>Retained earnings from prior years</b>	28	91,644	58,375
<b>Profit for the year</b>	28	55,409	47,527
<i>Less: Provision for mandatory dividends, interest payments and revaluation of issued regulatory capital financial instruments</i>	28	(16,623)	(14,258)
<b>Owners of the Bank:</b>		<b>338,298</b>	<b>270,482</b>
<b>Non-controlling interest</b>	28	1,296	3
<b>TOTAL EQUITY</b>		<b>339,593</b>	<b>270,485</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,010,182</b>	<b>4,375,726</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 2023 and 2022

		For the years ended December 31,	
		2023	2022
	Note	MCh\$	MCh\$
Interest income	30	288,791	186,129
Interest expense	30	(200,091)	(109,584)
<b>Net interest income</b>	<b>30</b>	<b>88,700</b>	<b>76,545</b>
Indexation income	31	82,810	167,512
Indexation expense	31	(61,469)	(136,289)
<b>Net indexation income</b>	<b>31</b>	<b>21,341</b>	<b>31,223</b>
Commission income	32	22,059	15,065
Commission expense	32	(17,700)	(9,525)
<b>Net fee and commission income</b>	<b>32</b>	<b>4,359</b>	<b>5,540</b>
<b>Net finance income for:</b>			
Financial assets and liabilities held-for-trading	33	22,446	2,744
Financial assets not held-for-trading mandatorily measured at fair value through profit or loss	33	101	(4)
Financial assets and liabilities designated at fair value through profit or loss	33	-	-
Profit or loss on disposal of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income	33	22,117	20,570
Gain or loss on foreign currency translation, indexation and accounting hedge.	33	6,792	(4,550)
Reclassifications of financial assets due to change in business model	33	-	-
Other finance income	33	-	-
<b>Net finance income</b>	<b>33</b>	<b>51,456</b>	<b>18,760</b>
Equity share of profit or loss from investments in companies	34	10	7
Non-current assets held for sale	35	(400)	(75)
Other operating income	36	6,372	2,507
<b>TOTAL OPERATING INCOME</b>		<b>171,838</b>	<b>134,507</b>
Personnel benefits and expenses	37	(52,578)	(43,154)
Administrative expenses	38	(21,173)	(13,221)
Depreciation and amortization	39	(5,636)	(5,482)
Impairment of non-financial assets	40	5,152	-
Other operating expenses	36	(2,885)	(651)
<b>TOTAL OPERATING EXPENSES</b>		<b>(77,120)</b>	<b>(62,508)</b>
<b>OPERATING INCOME BEFORE CREDIT LOSSES</b>		<b>94,718</b>	<b>71,999</b>
<i>Expense on credit losses from:</i>			
Provisions for credit risk due from banks and loans and advances from customers	41	(36,943)	(22,388)
Special allowances for credit risk	41	2,546	35
Recovery of written off loans	41	6,862	2,389
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	41	(25)	(3)
<b>Expense for credit losses</b>	<b>41</b>	<b>(27,560)</b>	<b>(19,967)</b>
<b>OPERATING INCOME</b>		<b>67,158</b>	<b>52,032</b>
<b>Profit or loss from continuing operations before tax</b>		<b>67,158</b>	<b>52,032</b>
Income tax	18	(12,733)	(4,505)
<b>Profit or loss from continuing operations after tax</b>		<b>54,425</b>	<b>47,527</b>
<b>Profit or loss from discontinued operations before tax</b>	42		
Tax on discontinued operations	18	-	-
<b>Profit or loss from discontinued operations after tax</b>	<b>39</b>	<b>-</b>	<b>-</b>
<b>CONSOLIDATED PROFIT OR LOSS FOR THE YEAR</b>		<b>54,425</b>	<b>47,527</b>
Attributable to:			
Owners of the Bank	28	55,409	47,526
Non-controlling interests	28	(984)	1

The accompanying notes are an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

		As of December 31	
	Note	2023 MCh\$	2022 MCh\$
<b>CONSOLIDATED PROFIT OR LOSS FOR THE YEAR</b>	<b>28</b>	<b>55,409</b>	<b>47,527</b>
Other comprehensive income for the year of:			
<b>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:</b>			
Remeasurements of net defined benefit liability (asset) and actuarial results from other employee benefit plans	28	-	-
Changes in the fair value of equity instruments designated at FVTOCI	28	-	-
Changes in the fair value of financial liabilities designated at FVTPL attributable to movement in the credit risk of financial liabilities	28	-	-
Other	28	-	-
<b>OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX</b>	<b>28</b>	<b>-</b>	<b>-</b>
Income tax on other comprehensive income that will not be reclassified to profit or loss	28	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX</b>		<b>-</b>	<b>-</b>
<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>			
Changes in the fair value of financial assets at FVTOCI	28	5,641	6,188
Exchange differences on currency translation of foreign operations	28	-	-
Hedge of net investments in foreign operations	28	-	-
Cash flow hedge	28	-	-
Not designated items of hedge instruments	28	-	-
Other	28	-	-
<b>OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX</b>		<b>5,641</b>	<b>6,188</b>
Income tax on other comprehensive income that may be reclassified to profit or loss	28	(1,612)	(1,671)
<b>TOTAL OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX</b>		<b>4,029</b>	<b>4,517</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>28</b>	<b>59,438</b>	<b>52,044</b>
<b>CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>28</b>	<b>59,438</b>	<b>52,044</b>
Attributable to:			
Owners of the Bank	28	<b>60,422</b>	<b>52,043</b>
Non-controlling interests	28	<b>(984)</b>	<b>1</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

Sources of changes in equity (MCh\$)	Equity attributable to the owners of the Bank						
	Paid-in capital	Reserves	Other accumulated comprehensive income (loss)	Retained earnings	Total	Non-controlling interests	Total equity
Closing balances as of December 31, 2022	170,388	6,665	1,785	91,644	270,482	3	270,485
Transfer of prior year's results	-	-	-	-	-	-	-
<b>Opening balance as of January 1, 2023</b>	<b>170,388</b>	<b>6,665</b>	<b>1,785</b>	<b>91,644</b>	<b>270,482</b>	<b>3</b>	<b>270,485</b>
Ordinary shares subscribed and paid	25,000	-	-	-	25,000	-	25,000
Payment of dividends on ordinary shares	-	-	-	-	-	-	-
Provision for payment of dividends on ordinary shares	-	-	-	(16,623)	(16,623)	-	(16,623)
Subtotal: Transactions with equity holders in the period	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>(16,623)</b>	<b>8,377</b>	<b>-</b>	<b>8,377</b>
Profit (loss) for the period	-	-	-	55,409	55,409	(984)	54,425
Effect on non-controlling interest - business combination agreements for Autofin acquisition	-	-	-	-	-	(12,235)	(12,235)
Other comprehensive income for the period	-	-	4,029	-	4,029	14,512	18,541
Subtotal: Comprehensive income for the period	<b>-</b>	<b>-</b>	<b>4,029</b>	<b>55,409</b>	<b>59,438</b>	<b>1,293</b>	<b>60,731</b>
<b>Closing balances as of December 31, 2023</b>	<b>195,388</b>	<b>6,665</b>	<b>5,814</b>	<b>130,430</b>	<b>338,298</b>	<b>1,296</b>	<b>339,593</b>
Closing balances as of December 31, 2021 before restatement as of January 1, 2022 (pro forma)	170,388	6,546	(2,796)	58,375	232,513	2	232,515
Effects during 2021 for the first application of the new compendium for banks	-	-	(2)	-	(2)	-	(2)
<b>Opening balances as of January 1, 2022</b>	<b>170,388</b>	<b>6,546</b>	<b>(2,791)</b>	<b>58,375</b>	<b>232,511</b>	<b>2</b>	<b>232,513</b>
Effects of the first CNC application for Banks for fiscal year 2022	-	119	57	-	-	-	-
Common shares subscribed and paid	-	-	-	-	-	-	-
Payment of dividends on ordinary shares	-	-	-	-	-	-	-
Provision for payment of dividends on ordinary shares	-	-	-	(14,258)	(14,258)	-	(14,258)
Subtotal: Transactions with equity holders in the period	<b>-</b>	<b>119</b>	<b>57</b>	<b>(14,258)</b>	<b>(14,258)</b>	<b>-</b>	<b>(14,258)</b>
Profit for the period	-	-	-	47,527	47,527	1	47,528
Other comprehensive income for the period	-	-	4,526	-	4,526	-	4,526
Subtotal: Comprehensive income for the period	<b>-</b>	<b>-</b>	<b>4,526</b>	<b>47,527</b>	<b>52,053</b>	<b>1</b>	<b>52,054</b>
<b>Ending balance as of December 21, 2022</b>	<b>170,388</b>	<b>6,665</b>	<b>1,785</b>	<b>91,644</b>	<b>270,482</b>	<b>3</b>	<b>270,485</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31, 2023 and 2022

	Note	For the years ended December 31,	
		2023	2022
		MCh\$	MCh\$
<b>A) CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES:</b>			
<b>CONSOLIDATED PROFIT (LOSS) BEFORE TAX FOR THE PERIOD</b>		<b>67,158</b>	<b>52,032</b>
<b>Debit (credit) to profit or loss not representing movements in cash flows:</b>			
Income tax	18	(12,733)	(4,505)
Depreciation and amortization	39	5,636	5,483
Impairment of property, plant and equipment		-	-
Provision for credit risk	41	27,560	19,967
Fair value of securities held-for-trading	33	(51,456)	(18,760)
Net income from investment in companies with significant influence		-	-
Share of profit (loss) of equity-accounted investees		(10)	(7)
Gain (loss) on foreign branches		-	-
Net gain on sale of assets received in lieu of payment		(472)	(217)
Net gain on sale of property, plant and equipment		-	-
Net loss on sale of property, plant and equipment		-	-
Write-offs of assets received in lieu of payment		(268)	370
Net interest and indexation income		(110,041)	(107,768)
Net commission income		(4,359)	(5,540)
Other debits (credits) not representing cash flows		15,926	34,965
<b>Changes in assets and liabilities affecting cash flows from operating activities</b>			
Increase in loans and advances to customers		(808,454)	(332,939)
Net decrease (increase) in financial investments		274,894	(405,363)
Increase in deposits and other demand liabilities		56,177	(37,001)
Increase (decrease) in repurchase and securities lending contracts		-	-
Increase (decrease) in bank borrowings		231,617	159,712
Increase (decrease) in deposits and other term deposits		267,470	330,219
Increase (decrease) in other financial liabilities		360	(69)
Increase (decrease) in debt securities issued		-	-
Other long-term borrowings obtained		-	-
Interest received		371,601	353,641
Interest paid		(261,560)	(245,873)
Commissions received		22,059	15,065
Commissions paid		(17,700)	(9,525)
<b>Net cash provided by operating activities</b>		<b>73,405</b>	<b>191,114</b>
<b>B) CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES:</b>			
Acquisition of property, plant and equipment	16	(860)	150
Acquisition of intangible assets	15	(4,154)	-
Sale of property, plant and equipment	16	2	-
Acquisition of investments in companies		-	-
Sale of investments in companies		-	-
Dividends received from investments in companies	34	10	6
Net increase (decrease) in investment instruments through other comprehensive income		(292,508)	-
Sale of assets received and/or awarded in lieu of payment		5,979	1,725
Net changes in right-of-use assets under lease contracts		-	-
Net decrease in other assets and liabilities		(79,700)	(8,433)
<b>Net cash (used in) provided by investing activities</b>		<b>(371,231)</b>	<b>(7,948)</b>
<b>C) CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:</b>			
Net cash flows provided by financing activities:			
Issuance of letters of credit		-	-
Redemption of letters of credit		-	-
Issuance of bonds		314,725	(23,337)
Redemption of bonds		(301,440)	-
Loans obtained abroad		-	235,064
Repayment of long-term borrowings to financial institutions		-	-
Capital increase		25,000	-
Payment under lease agreements		(2,972)	(2,788)
Credit facilities obtained abroad		-	-
Dividends paid	28	14,258	(9,909)
<b>Net cash provided by financing activities</b>		<b>21,055</b>	<b>199,030</b>
<b>D) NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>		<b>(276,771)</b>	<b>(5,032)</b>
<b>Effect of exchange rate differences</b>		<b>1,440</b>	<b>(8,951)</b>
<b>Cash and cash equivalents as of January 1</b>	7	<b>552,776</b>	<b>566,759</b>
<b>ENDING BALANCE OF CASH AND CASH EQUIVALENTS</b>		<b>277,445</b>	<b>552,776</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As of and for the years ended December 31, 2023 and 2022

**NOTE 1 – GENERAL INFORMATION****Bank Background**

Banco Internacional (hereinafter the “Bank”) is a corporation in Chile and regulated by the Chilean Financial Market Commission (Formerly - the Superintendency of Banks and Financial Institutions). Hereinafter, the Chilean Financial Market Commission (CMF).

The Bank obtained the authorization of existence by the CMF in accordance with Supreme Decree No. 314 of January 14, 1944, issued by the Ministry of Finance. Additionally, on February 1, 1944, the CMF authorized Banco Israelita to commence its commercial activities. Through resolution No. 155 of July 24, 1981, the CMF approved the reform introduced to the bylaws of Banco Israelita to henceforth be referred to as Banco Internacional.

Banco Internacional is engaged in all businesses and operations permitted under the General Banking Law through a full supply of products and services in Business and Personal Banking.

As of December 31, 2023, the Bank's registered office is located at Avenida Apoquindo No. 6,750, Las Condes, and its website is [www.internacional.cl](http://www.internacional.cl).

The consolidated financial statements for the year ended December 31, 2022 were approved by the Board of Directors of Banco Internacional at meeting No. 507 on February 28, 2023.

The consolidated financial statements for the year ended December 31, 2023 were approved by the Board of Directors of Banco Internacional at meeting No. 519 on February 27, 2024.

The background of the Bank's subsidiaries is as follows:

- Baninter Corredores de Seguros Ltda. was incorporated by public deed dated November 14, 2007 and authorized by the CMF through Resolution dated December 7, 2007. The acquisition of the Broker was made by public deed dated October 4, 2018, granted at the Notary Public of Juan Ricardo San Martin Urrejola. The acquisition was approved by the CMF through resolution No. 91836348 dated September 25, 2018.
- Banco Internacional Administradora General de Fondos SA was incorporated by public deed dated March 15, 2018 and authorized by the CMF through Exempt Resolution No. 1494 dated September 14, 2018.

**NOTE 1 – GENERAL INFORMATION, CONTINUED**

- Autofin S.A. On August 12, 2022, the Bank entered into a share purchase agreement with the shareholders of Autofin S.A., under which the Bank could acquire 51% of Autofin S.A. shares, subject to compliance with a number of contractual conditions customary for this type of transaction and the approval of the Financial Market Commission and the Chilean Competition Authority.

In this regard, the regulatory approvals were obtained both from the Financial Market Commission, by way of Exempt Resolution No. 3265 of May 10, 2023, and from the Chilean Competition Authority, by way of Resolution dated December 14, 2022.

As a result, on August 1, 2023, Banco Internacional acquired 51% of Autofin S.A. Shares. Therefore, the latter became a subsidiary of the Bank and a supported company.



**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES**

- 1. Basis of preparation:** These consolidated financial statements have been prepared in accordance with the Compendium of Accounting Standards for Banks issued by the Financial Market Commission, an oversight agency that, in accordance with Article No. 15 of the General Banking Law, establishes that banks must use the accounting criteria provided by that Commission and in everything that is not dealt with by it if it does not contradict its instructions, they must adhere to International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB). In the event of any discrepancy, the standards issued by the Financial Market Commission shall prevail.

Notes to the consolidated financial statements include information that supplements the information recorded in the consolidated statements of financial position, income, other comprehensive income, changes in equity and cash flows for the years presented. Such notes provide narrative descriptions or the disaggregation of such information in the statements in a clear, relevant, reliable and comparable manner.

- 2. Basis for consolidation:** The Consolidated Financial Statements comprise the financial statements of the Bank and its subsidiaries as of and for the years ended December 31, 2023 and 2022. The financial statements of the consolidated subsidiaries have been prepared in accordance with standards established by the Compendium of Accounting Standards issued by the Financial Market Commission.

Significant intercompany transactions and balances generated from operations performed between the Bank and its subsidiaries and between such subsidiaries have been eliminated upon consolidation and recognizing the non-controlling interest related to the ownership percentage over the subsidiaries, which is included separately in the Bank’s consolidated equity.

“Subsidiaries” are entities over which the Bank has the power to exercise control, which is generally, but not exclusively, manifested by the direct or indirect ownership of more than 50% of the shares of the related entities or, even if this percentage is lower or nil, when the Bank is granted such control due to agreements with the shareholders of such related entities. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Associates are those entities where the Bank has significant influence but where it does not have control or joint control over them. In general, this ability relates to interest between 20% and 50% of the entity's voting rights and is measured using the equity method of accounting.

## NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Entities in which the Bank has significant ownership percentage and consolidated in these consolidated financial statements are the following:

Name of the subsidiary	<u>Direct ownership</u>	<u>Direct ownership</u>
	2023	2022
	%	%
Banco Internacional Administradora General de Fondos S.A.	99.9	99.9
Baninter Corredores de Seguros Ltda.	99.0	99.0
Autofin S.A.	51.0	-

- 3) Non-controlling interest:** Non-controlling interests represent the portion of losses and gains and net assets, not directly or indirectly owned by the Bank. Non-controlling interest is presented separately in the Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income and Consolidated Statements of Financial Position.
- 4) Operating segments:** An operating segment is a component of Banco Internacional and its subsidiaries which is engaged in commercial activities from which it can obtain revenue and incur expenses, including revenue and expenses related to transactions with any of the other Group's components, the operating profit or loss of which is reviewed periodically by the Chief Executive Officer (CEO) (Chief Operating Decision Maker (CODM)) to make decisions on resources to be allocated to the segment and assess its performance, and for which discrete information is available.

Operating profit or loss is reported to the CEO and the Board (which is the CODM) including elements that are directly attributed to a segment, as well as those that can be assigned on a reasonable basis. Unassigned line items are mainly composed of corporate assets (mainly the Bank's Parent), Parent's expenses and tax assets and liabilities.

The detail of the operating segments are presented comparatively in Note 6 to the Consolidated Financial Statements.

- 5) Functional currency:** The Bank's Management determined that the currency of the main economic environment in which the Bank operates is the Chilean peso and, accordingly, this is its functional and presentation currency. This conclusion is based on the following:
- It is the currency of the country whose markets and regulations determine the prices of the services that Banco Internacional provides.
  - Accordingly, it is also the currency in which the related sale, settlement and receipt prices of the main operations are mainly determined.
  - It is the currency that has an influence on the payroll costs and other costs required to provide the services the Bank provide to its customers.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**6) Foreign currency transactions:** The Compendium of Accounting Standards issued by the CMF establishes that assets and liabilities payable in foreign currency will be recorded in the accounts in the related currency and reflected in the Consolidated Statement of Financial Position according to the representative exchange rate. All exchange differences occurring are recorded in profit or loss for the period.

For the preparation of the Bank's Consolidated Financial Statements, monetary assets and liabilities denominated in foreign currency are translated into Chilean pesos, according to the exchange rate prevailing as of December 29, 2023 of Ch\$874.63 per US\$ 1.00 (Ch\$852.36 per US\$ 1.00 as of December 31, 2022).

**7) Assets and liabilities measurement criteria:** Criteria for measuring assets and liabilities recorded in the accompanying consolidated statements of financial position are as follows:

**a) Assets and liabilities measured at amortized cost**

Amortized cost is the acquisition cost of a financial asset or liability including transaction costs and/or any premium/discount.

For financial assets, amortized cost also includes adjustments to its carrying amount from any impairment loss.

For financial instruments, the amount charged systematically to profit or loss is recorded using the effective interest method. The effective rate is the rate that equals the value of a financial instrument to all of its estimated cash flows for all concepts throughout its remaining life, but without considering impairment, which effective rate amortization is recognized as an adjustment in the period in which it arises.

**b) Assets measured at fair value**

For financial instruments traded in active markets, the determination of fair values is based on their quoted prices or recent transactions. This includes instruments traded on local or international exchanges, broker quotes or "Over-the-counter" transacted instruments.

A financial instrument is considered to be quoted in an active market if the prices are regularly and freely available from an exchange, index, broker, dealer, price provider or regulatory agency and those prices represent current and regular market transactions. If the market does not meet the aforementioned criteria, it is considered inactive. The scarcity of recent transactions or a spread considered to be too wide between bid-offer prices, are indications that the market is inactive.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED****b) Assets measured at fair value, continued**

For those financial instruments not traded in an active market, the fair value is determined using valuation techniques. In these techniques, the fair value is estimated from observable data regarding similar financial instruments, using models to estimate the present value of expected cash flows or other valuation techniques, using inputs (for example, deposits, swap prices, changes, volatility, etc.), existing at the date of the Consolidated Financial Statements.

As at the date of these Consolidated Financial Statements, the Bank has instruments whose fair value is determined based on significant inputs which are not directly or indirectly observable from market data. However, the Bank has models developed internally for this type of instrument, which are prepared based on techniques and methods generally recognized in the industry. To the extent that the significant inputs are not directly or indirectly observable from market data, the Bank must make assumptions in order to estimate fair values. These values are known as Level 3. Note 2.36 to the Consolidated Financial Statements provides details of the instruments according to their valuation level.

Model results are always an estimate or approximation of value and cannot be determined with certainty. Consequently, the valuation techniques used may not reflect all the factors relevant to the Bank's positions. Accordingly, the valuations are adjusted, when applicable, to reflect additional factors, such as liquidity or credit risks of the counterparty. Based on the model and the Bank's credit risk policies, management estimates that these adjustments to the valuations are necessary and appropriate for the purposes of fairly presenting the values of the financial instruments in the Consolidated Financial Statements. Inputs, prices and parameters used in the valuations are carefully reviewed on a regular basis and adjusted if necessary.

**8) Financial assets held for trading at fair value through profit or loss:**

Financial Assets correspond to instruments acquired with the intention of generating profits from price fluctuations in the short term or through intermediation margins, or which are included in a portfolio in which there is a short-term profit taking strategy. Trading instruments are valued at fair value.

Gains or losses from fair value adjustments, as well as gains or losses from trading activities, are included in "Net Financial Income" in the Consolidated Statement of Income for the year.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**9) Financial Assets at Fair Value Through Other Comprehensive Income:** A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is maintained within a business model, whose objective is achieved by obtaining contractual cash flows, selling financial assets; and
- The contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only payments of the principal and interest on the outstanding principal amount.

Interest and indexation of Financial Assets at Fair Value Through Other Comprehensive Income are included under "Interest and indexation income" in the Consolidated Statements of Income for the year.

**10) Financial Derivative Contracts and Financial Derivative Contracts for Hedge Accounting:** Derivative instruments that include foreign currency, inflation-adjusted unit-denominated forwards, interest rate futures, currency and interest rate swaps, currency and interest rate options and other derivatives are recognized at fair value from the date of their engagement, including transaction costs. Fair value is obtained from market quotes, discounted cash flow models and measurement models for options, as appropriate. Financial derivatives are stated as an asset when their fair value is positive and as a liability when it is negative, within the caption "Financial derivative instruments" in the Consolidated statement of financial position.

Certain derivatives embedded in other instruments are treated as separate derivative instruments when their characteristics and risk are not clearly and closely related to those of the host contract and the host contract is not measured at fair value with the related unrealized gains or losses included in profit or loss. The Bank does not have this type of derivatives at the closing dates of the Consolidated Financial Statements as of December 31, 2023 and 2022.

At the date of entering into a derivative contract, it must be designated by the Bank as a derivative instrument held for trading or for hedge accounting purposes. Changes in the fair value of financial derivative instruments designated as held for trading are recognized in the caption "net gain (loss) from financial operations" in the Statement of income. If the derivative instrument is classified for hedging purposes, it may be: (1) A fair value hedge of existing assets or liabilities or firm commitments, or (2) a cash flow hedge related to existing assets or liabilities or forecast transactions. A hedging relationship for hedge accounting must meet all the following conditions: (a) at the start of the hedging relationship, the hedging relationship has been formally documented; (b) the hedge is expected to be highly effective;

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

(c) the effectiveness of the hedge may be measured fairly (d) the hedge is highly effective with respect to the risk hedged on a continuous basis throughout the hedging relationship, collectively among others.

**10) Derivative Financial Instruments, continued**

Certain derivative transactions that do not qualify for being accounted for as hedging derivatives are treated and reported as trading derivatives, even though they provide effective hedges for the management of risk positions.

When a derivative hedges the exposure to changes in the fair value of an existing asset or liability, such asset or liability is recorded at its fair value with respect to the specific risk hedged. Gains or losses from the measures in the fair value, both for the hedged item and the hedging derivative, are recognized in profit or loss for the period.

If the hedged item in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment attributable to the hedged risk are recognized as an asset or liability with an effect on profit or loss for the period. Gains or losses from the changes in the fair value of the hedging derivative are recognized in profit or loss for the period. When a new asset or liability is acquired as a result of the firm commitment, the initial recognized amount of the acquired asset or liability is adjusted to include the cumulative change in fair value of the firm commitment attributable to the hedged risk that was recognized in the Consolidated statement of financial position.

When a derivative hedges exposure to changes in cash flows from existing assets or liabilities or forecast transactions, the effective portion of changes in the fair value for the risk hedged is recognized in consolidated equity. Any ineffective portion is directly recognized in consolidated profit or loss for the period.

Amounts previously recognized directly in consolidated equity are recorded in profit or loss in the same periods in which the hedged assets or liabilities affect profit or loss.

For a fair value hedge of interest rates in a portfolio, gains or losses from measuring the fair value of both the hedged portfolio and the hedging derivative, are recognized through profit or loss for the period. However, the gain or loss from measuring the fair value of the hedged portfolio is recorded in the Consolidated statement of financial position under the caption Other assets or Other liabilities, depending on the position of the hedged portfolio at a given date.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**11) Loans and advances to customers:** Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in a market and that the Bank does not intend to sell in the near term.

Loans and receivables are initially valued at fair value plus incremental transaction costs. They are subsequently recorded at amortized cost and accrued interest is recognized in profit or loss based on the effective interest rate. Loans and accounts receivable from customers are recorded net of allowances for credit losses.

The effective interest rate is the rate that exactly discounts the estimated future cash flows to the gross carrying amount of a financial asset or amortised cost of a financial liability.

**11) Factoring transactions:** The Bank performs factoring transactions with its customers, whereby it receives invoices and other trading notes, with or without recourse, anticipating from the assignor a percentage of the total amounts to be collected from the debtor of the documents assigned.

- Recourse factoring: the assignor to the bank determines its associated allowance associated with the receivables while the Bank remains the recipient of funds as dictated by the agreement.
- Non-recourse factoring: the allowance for doubtful accounts is determined and recorded by the Bank as they have no recourse to the assignor.

In certain cases of recourse factoring, the assignor may be replaced by the debtor of the invoice, when the contract of the transaction copulatively complies with the following conditions:

- It is mandatory by law to report or notify the debtor about the assignment of such invoice to the Bank.
- The debtor of the invoice complies with the conditions established in letter a) of section 4.1 of Chapter B-1 of CNCB.

Factoring loans are measured at the value disbursed plus the accreted difference between the amount loaned and the invoice value. The price difference generated in the assignment is accrued in the financing period.



**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**13) Interest and indexation income and expense:** Interest and indexation income and expense are recognized based on their accrual period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument to the gross carrying amount (assets or liabilities). An entity shall consider the contractual terms of the financial instrument but shall not consider the expected credit losses.

The calculation includes, when appropriate, all fees and other concepts paid or received, as well as incremental transaction costs, directly attributable to the acquisition or issue of a financial asset.

For loans considered individually as impaired or those past maturity with a high risk of uncollectibility, the prudential criterion of suspending the accrual of interest and indexation has been followed. These are recognized for accounting purposes when they are received, as recovery of impairment losses.

**14) Commission income and expenses:** Commission income and expenses are recognized in profit or loss with different criteria according to their nature. The most significant are:

- Those corresponding to a single act are recognized in profit or loss when the act that generates them occurs.
- Those arising from long-term transactions or services which are effected over time are recognized in profit or loss over the life of such transactions or services.

**15) Impairment**

**a) Financial assets:** A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence that one or more events had a negative effect on the asset's future cash flows, which can be estimated reliably.

An impairment loss of financial assets measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss of a financial asset is calculated with respect to its fair value. All individually significant financial assets are analyzed individually for impairment. The remaining financial instruments are collectively assessed for impairment by grouping together assets with similar risk characteristics.



**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

All impairment losses are recognized in profit and loss. Accumulated impairment losses on financial assets previously recognized in equity are reclassified to profit or loss.

An impairment loss is reversed only to extent that it can be related objectively to an event occurring after the impairment loss has been recognized. For financial assets recognized at amortized cost and fair value debt securities, the reversal is recognized in profit or loss. For equity securities, the reversal is recognized directly in equity.

- b) Non-financial assets:** The carrying amount of the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indicator of impairment. If any such indicator exists, then the asset's recoverable amount is estimated. For goodwill, and for intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amounts are estimated at each reporting date. An impairment loss in respect of goodwill is not reversed.

For other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

The Bank does not record intangible assets with an indefinite useful life as of December 31, 2023 or 2022.

- 15) Investments in associates:** Associates are those entities where the Bank has significant influence but does not achieve control or joint control over them. In general, this ability relates to a participation equal or higher than 20% of ownership and voting rights and is measured according to the equity method.

As of December 31, 2023 and 2022, the Bank maintains investments in associates as detailed in Note 14.

- 16) Investment in companies:** Investments in companies are those in which the Bank has no significant influence. These are recorded under IFRS 9.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**17) Intangible assets:** As of December 31, 2023 and 2022, the intangible assets held by the Bank mainly relate to software:

a) Software:

Computer software acquired by the Bank is recognized at its cost less accumulated amortization and accumulated impairment loss.

Expenditure on internally developed software is recognized as an asset when the Bank is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development. The capitalized costs of internally developed software include all costs directly attributable to developing the software, and are amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss.

Amortization is recognized in profit or loss on the basis of amortization according to the straight-line method considering the lives of computer programs from the date in which they are available for use.

Estimated useful lives of computer software is as follows:

- General software Up to 10 years of useful life
- Core system software 25 years of useful life

Goodwill is recognized at cost less impairment losses.

Subsequent expenditures are capitalized when future economic benefits to the asset are expected. All other expenditure, including goodwill and internally developed brands, is recognized in profit or loss as it is incurred.

b) Intangible assets arising from business combinations:

As a result of the acquisition process of Autofin S.A., which was completed in August 2023, amortizable intangible assets with finite useful lives were recognized, resulting from the Purchase Price Allocation (PPA) process.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Intangible assets with definite or indefinite useful lives are tested for impairment annually. In this regard, and in accordance with the CMF provisions of the Compendium of Accounting Standards for Banks, Chapter A-2, paragraph 4, two independent consultants of the Bank, other than the external auditors, will review the basis for their valuation.

For the acquisition of Autofin S.A., the values to be disclosed as of December 31, 2023 have been determined on a provisional basis in accordance with IFRS 3 "Business Combinations" and may be adjusted up to one year after the acquisition date.

Amortizable intangible assets are amortized on a straight-line basis over their estimated useful lives.

**Goodwill**

Goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

In accordance with IAS 36, goodwill is tested for impairment annually and whenever circumstances indicate that its carrying amount may be impaired.

An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

Intangible assets shall be tested for impairment in accordance with the definitions and terms of the financial standards

**Bargain purchase gain**

In accordance with the CNC and IFRS 3, gains generated from an acquisition through a business combination shall be recognized in profit or loss.

During the year, a bargain purchase gain of MCh\$5,152 has been recognized in the statement of income of Banco Internacional.

**18) Property plant and equipment:** Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, and any other costs directly attributable to bringing the assets to a working condition for their intended use.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

When a significant part of an item of property, plant and equipment has a different useful life, it is recorded as a separate item with a separate depreciable life.

Depreciation is recognized in the consolidated statement of income on a straight-line basis over the estimated useful lives of the item of property and equipment. Items of property, plant and equipment related to assets under lease contracts are depreciated over the shortest of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Buildings: 80 years

Plant and equipment: up to 7 years

Fixtures and fittings: up to 7 years

Depreciation methods, useful lives and residual values are calculated/estimated at each reporting date.

**19) Leases****a) The Bank as a lessor**

Assets that are leased to customers under contracts that transfer substantially all the risks and rewards of ownership, with or without legal title, are classified as finance leases.

When the retained assets are subject to a finance lease, the leased assets are derecognized in the accounting records and a receivable is recorded under Loans and advances to customers, reflected at the present value. The initial direct costs in a finance lease are included in the receivable through the discount rate applied to the lease.

The operating lease income is recognized such that it reflects a periodic interest rate that gives a constant return. Assets leased to customers under lease agreements that do not transfer substantially all the risks and rewards incidental to the ownership, are classified as operating leases. Investment properties leased under operating leases are included in the caption “Other assets” in the Statement of financial position, and depreciation is determined on the carrying amount of these assets, applying a proportion of the value on a systematic basis over the economic use of the estimated useful life. Rental income is recognized on a straight-line basis over the lease term.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED****b) The Bank as a lessee**

A contract is or contains a lease if it has the right to control the use of an identified asset for a period of time in exchange for consideration. At the inception date of a lease agreement, a right-of-use asset is determined for the leased asset at cost, which comprises the amount of the initial measurement of the lease liability plus other disbursements made.

The amount of the lease liability is measured at the present value of future lease payments that are not paid at that date, which are discounted using the Bank's incremental borrowing rate.

The right-of-use asset is measured using the cost model, less any accumulated depreciation and any accumulated impairment losses; depreciation of the right of use asset is recognized in the Statement of Income on a straight-line basis from the commencement date to the end of the lease term. The monthly fluctuation of the UF for contracts established in such monetary unit modifies the value of the lease liability and, at the same time, the amount of the asset for the right to use leased assets should be adjusted for this effect.

- 21) Non-current assets held for sale:** Non-current assets (or disposal groups including assets and liabilities) expected to be recovered principally from sales rather than continuing use are classified as held for sale. Immediately before this classification, the assets (or items of a disposable group) are remeasured in accordance with the Bank's accounting policies. Thereafter, assets (or disposal group) are measured at the lower of carrying amount and fair value less cost to sell.
- 22) Assets received in lieu of payment or awarded:** Assets received in lieu of payment or awarded for loans and trade receivables are recorded, in the case of assets received in lieu of payment at the price agreed by the parties, or for those cases where there is no agreement between the parties, at the amount for which the Bank is awarded such assets in a court-ordered public auction. Subsequently, such assets are measured at the lower of the initial carrying amount or net realizable value, which corresponds to its fair value (liquidity value determined through an independent appraisal) less the related costs to sell.

In general, the Company believes assets received in lieu of payment will be sold within one year from their date of award. Assets that are not sold within such term are written-off in accordance with the provisions of Chapter 10-1 of the Updated Compendium issued by the CMF.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

- 23) Statements of cash flows:** The Company uses the indirect method for the preparation of the Statements of Cash Flows, which starting from the Bank's profit or loss for the year excludes non-cash transactions, and includes cash flows from financing and investing activities.

For the preparation of the Consolidated Statements of Cash Flows for the year, the Bank considers the following concepts:

- a) Cash equivalents:** They correspond to inflows and outflows of cash and cash equivalents, which are highly-liquid short-term investments with low risk of changes in value, such as, deposits with the Central Bank of Chile, instruments of the Chilean Treasury, demand balances and deposits in domestic banks and deposits in foreign banks.
  - b) Operating Activities:** Are the principal revenue-producing activities of the Bank and other activities that are not investing or financing activities.
  - c) Investing Activities:** 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:** Relate to the activities that result in changes in the size and composition of the contributed equity and liabilities that are not part of the operating or investing activities.
- 24) Allowances for credit losses:** Allowances are required to be recorded associated with the risk of loss on loans have been established in accordance with the standards issued by the CMF. Loans are presented net of such allowances on the statement of financial position. Contingent loans are recorded as liabilities under "Allowances," when applicable.

The Bank uses models or methods, based on the individual and group analysis of debtors, approved by the Board of Directors, to establish the allowances for loan losses, as indicated in the Compendium of Accounting Standards issued by the CMF, which are defined below:

- a) Allowances for individual assessment:** The individual assessment of debtors is applied when related to companies which, due to their size, complexity or level of exposure to the entity, need to be known and analyzed more in depth.

The analysis of debtors is focused on their capacity and availability to comply with their credit obligations by means of sufficient and reliable information, also analyzing guarantees, terms of obligations, interest rates, currency, adjustability, etc.

## NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

To estimate the allowances, the Bank classifies its debtors and transactions related to loans and contingent loans in the following categories: normal, substandard and default.

### i) Normal and substandard portfolios

The Normal Portfolio includes debtors whose ability to pay allows them to comply with their obligations and commitments and no change is expected to occur in such condition, according to the related economic and financial position. Classifications assigned to this portfolio range from A1 to A6.

The Substandard portfolio includes debtors with financial difficulties or a significant deterioration of their ability to pay and debtors where reasonable doubt exists as to the repayment of principal and interest under the contractual terms agreed, showing low headroom to meet their short-term financial obligations.

This portfolio includes debtors with past due installment amounts exceeding 30 days. Classifications assigned to this portfolio range from B1 to B4 on the rating scale.

As a result of the individual analysis of these debtors, they should be classified into the following categories; subsequently assigning to them the probability of default and loss given default percentages that result in the related loss percentage:

Type of Portfolio	Debtor category	Probability of Default (%)	Loss Given Default (%)	Expected loss (%)
Regular portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21785
	A4	2.00	87.5	7.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard portfolio	B1	15.00	92.5	13.8750
	B2	22.00	92.5	20.3500
	B3	33.00	97.5	32.1750
	B4	45.00	97.5	43.8750

In order to determine the amount of allowances to be recorded for portfolios in normal and substandard categories, the exposure must be estimated, to which the related loss percentages (expressed in decimals) will be applied, which are composed of the probability of default (PD) and loss given default (LGD) established for the category in which the debtor and/or its qualified co-debtor are classified, as appropriate.

## NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The exposure subject to allowances corresponds to loans plus contingent loans, minus the amounts that would be recovered through the performance of guarantees. In addition, loan is defined as the carrying amount of the debtor's related loans and receivables, whereas contingent loans are defined as the value resulting from the application of No. 3 of Chapter B-3 of the Compendium of Accounting Standards.

### ii) Default portfolio

The default portfolio includes debtors and their loans whose recovery is deemed to be remote because their ability to pay is deteriorated or non-existent. This portfolio includes debtors with clear indications of possible bankruptcy, as well as those in which a forced restructuring of debts is necessary to avoid default, and also any debtor who is 90 days or more overdue in the payment of interest or principal of any loan. This portfolio is composed of debtors in categories C1 through C6 of the rating scale established below and all loans, including 100% of the amount of contingent loans, held by these same debtors.

For the purpose of establishing provisions on the default portfolio, allowance percentages are applied to the amount of the exposure, which corresponds to the sum of loans and contingent loans held by the same debtor. To apply such percentage, an expected loss rate must be estimated firstly by deducting from the amount of the exposure the amounts recoverable by calling the guarantees and, if there is specific information to justify this, also deducting the present value of the recoveries that can be obtained by performing collection actions, net of the associated expenses. This amount must be classified in one of the six categories defined according to the range of losses effectively expected by the Bank for all the operations of the same debtor.

These categories, their range of loss as estimated by the Bank and the allowance percentages that must be applied to the amounts of the exposures are shown in the following table:

<b>Ranking</b>	<b>Estimated loss range</b>	<b>Allowance</b>
C1	Up to 3%	2%
C2	Over 3% up to 20%	10%
C3	Over 20% up to 30%	25%
C4	Over 30% up to 50%	40%
C5	Over 50% up to 80%	65%
C6	Over 80%	90%



**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

- b) Allowances for group assessment:** Group assessments are relevant for dealing with a large number of transactions whose individual amounts are too low to be assessed individually or which involve individuals or small companies that do not qualify for individual assessment. These models include consumer, mortgage and commercial loans that are not assessed individually.

The levels of provisions required have been determined by the Bank, in accordance with the determination of actual loss from loans, by classifying and grouping the loan portfolio according to the similarity of the characteristics related to credit risk, indications of the debtor's ability to meet payment obligations provided in the contract.

Allowances are determined based on product segmentation, tranches of days of loan default and the customer's historical payment behavior. The allowance percentages over the exposure are considered in the matrix as supported by a study on expected loss, which comprises the calculation of parameters of Probability of default (PD) and Probability Given Default (PGD) for this portfolio.

- c) Additional allowance:** The CMF has defined additional allowances as those that are not derived from the application of the portfolio assessment models of each individual bank or to compensate for deficiencies in them, and must be made to safeguard against the risk of unpredictable economic fluctuations.

The Bank has formal criteria and procedures for using and determining additional allowances, which is approved by the Board of Directors.

As at December 31, 2023 and 2022, the balance of additional allowances amounts to MCh\$22,581.7, which is presented in the caption "Provisions" in liabilities in the Statement of Financial Position in accordance with Number 10 of the Chapter B-1 of the Compendium of Accounting Standards issued by the Financial Market Commission.

- 25) Provisions and contingent liabilities:** Provisions are liabilities for which there is uncertainty about their amount or maturity. These provisions are recognized in the Consolidated Statement of Financial Position when the following requirements are met:

- There is a present obligation arising from past events and,
- At the reporting date of the consolidated financial statements, it is probable that the bank has an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent asset or liability is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

The following are classified as contingent:

- Guarantor over the collateral
- Letters of credit for merchandise circulation operations
- Debt purchase commitments in local currency abroad
- Transactions related to contingent events
- Unrestricted lines of credit for immediate payment
- Unrestricted lines of credit
- Other loan commitments
- Other contingent loans

**26) Impaired loans and write-offs**

**a) Identification of impaired portfolio:** Impaired portfolio is defined as the portfolio comprising all debtors for which there is evidence that debtors will not meet their payment obligations that were originally agreed, regardless of the possibility of collecting the amounts due by resorting to guarantees through legal collection actions or by renegotiation.

**b) Removal of debtor from impaired portfolio:** The addition of a debtor to the impaired portfolio will be due to a change in the classification of the debtor, as the debtors are classified individually.

The removal of a debtor from the impaired portfolio will be due to a change in the debtor's classification, which is authorized exclusively by the Risk Management Division, and the reasons justifying the change in the debtor's payment capacity or behavior must be specifically stated in the change of classification. For debtors classified collectively, the change in category will be based on the change in behavior associated with delinquency behavior, among other variables.

**c) Impaired portfolio management:** The Bank manages its portfolio of impaired debtors collectively through Credit Committees, delegating to the commercial function the attributions and faculties necessary for the daily operation, as defined in the Manual of Procedures related to portfolio classification, allowances and write-offs, which is consistent with the legal regulations in force issued by the Financial Market Commission.

The process of managing impaired loans is intended to highlight those loans implying higher than normal risk, assess the overall quality of the portfolio and ensure that Management takes a proactive, timely, structured and stringent role in the management of impaired loans to adequately protect the Bank's interests.

## NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- d) Write-offs:** Write-offs should generally be performed when the contractual rights to the cash flows expire. For investments, even if the above does not occur, the related asset balances will be written off in accordance with the provisions of Title II of Chapter B-2 of the Compendium of Accounting Standards.

These write-offs refer to amounts written-off in the Consolidated Statement of Financial Position including the portion that may not be past due in the case of a loan payable in installments or partial payments, or amounts related to a lease transaction (there are no partial write-offs).

Write-offs must always be performed recording such against the allowance for credit losses established in accordance with Chapter B-1 of the Compendium of Accounting Standards, regardless of the reason for the write-off.

Write-offs are all those credit transactions for which, based on information available, a conclusion is reached that their recovery will not be feasible. In addition, and in accordance with current applicable regulations, all transactions showing delinquencies in excess of those established in Chapter B-2 of the Compendium of Accounting Standards will be subject to write-offs.

Loans and receivables are realized on the basis of past due, delinquent and current installments and the maturity is recognized from the beginning.

Write-offs of loans and receivables must be performed under the following conditions, whichever occurs first:

- Based on all available information, the Bank concludes that it will not obtain any cash flows from the loan recorded on the asset;
- When six months have elapsed from the date in which an unpaid debt has been recorded in assets;
- Upon completion of the prescribed period of the legal procedures to demand collection through a lawsuit or at the moment of the rejection or abandonment of the execution of the enforcement order through legal judgment;
- When the time of delinquency of a transaction reaches the time frame for write-off as set forth below:

<b>Type of loan</b>	<b>Term</b>
Secured or unsecured consumer loan	6 months
Consumer lease	6 months
Other non-real estate lease transactions	12 months
Other unsecured transactions	24 months
Secured commercial loans	36 months
Real estate under lease arrangements (commercial and residential)	36 months
Mortgage loans	48 months

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

The term corresponds to the time elapsed from the date on which payment of all or part of the overdue obligation became due.

**e) Recovery of assets written-off:** Subsequent payments obtained for transactions written-off will be recognized in profit or loss as recovery from loans written-off. In the event that there are recoveries in assets received in lieu of payment or awarded the recovery is recognized in profit or loss for the amount at which the asset was previously recorded or adjudicated, respectively.

Any renegotiation of a loan written-off will not give rise to revenue as long as the transaction continues to be impaired, and the actual payments received will be treated as recoveries of loans written-off.

**27) Severance indemnity payments:** The Bank does not record provisions for severance indemnity payments for its employees.

**28) Employee vacations:** The annual cost of employee vacations and other employee benefits is recognized on an accrual basis.

**29) Income tax and deferred taxes:** The Bank determines the effects of corporate income tax expense at period-end in accordance with current Chilean tax legislation.

In accordance with the application of IAS 12 "Income Taxes," the Bank recognizes, where appropriate, deferred tax assets and liabilities from future estimates of tax effects of differences between the carrying amount and tax basis of assets and liabilities. Deferred taxes are measured, in accordance with current Chilean tax legislation, at the tax rates that are expected to be applied in the year in which the deferred taxes are to be settled or realized.

Future effects from changes in tax legislation or income tax rate are recognized in deferred tax starting from the date in which the law approving such changes is enacted or substantially enacted.

As of December 31, 2023 and 2022, deferred taxes have been adjusted to the new corporate income tax rates, in accordance with Law No.20.780, issued on September 29, 2014.

The Bank, through an affidavit filed with the Chilean IRS, indicated that it will be subject to the Regime with partial allocation of the tax credit to the First Category referred to as the Partially-integrated regime subject to rates of 27% beginning in 2018.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**30) Derecognition of financial assets and liabilities:** The accounting treatment of financial asset transfers depends on the degree and manner in which risk and benefits associated to transferred assets are conveyed to third parties:

If the risks and rewards are substantially transferred to third parties - which is the case of unconditional sales, sales under a repurchase agreement for their fair value at the date of the repurchase, sales of financial assets with a purchase option acquired or a sale option issued deeply out of the money, uses of assets in which the assignor retains no subordinate financing or provide any type of credit enhancement to the new holders and other similar cases - the transferred financial asset is derecognized in the consolidated statement of financial position and any right or obligation retained or created as a result of the transfer is simultaneously recognized.

If the risks and rewards associated with the transferred financial asset are substantially retained in the case of sales of financial assets with a repurchase agreement for a fixed price or for the sales price plus interest, of securities lending contracts in which the borrower has the obligation to return the same or similar assets and other similar cases, the financial asset transferred is not removed from the Consolidated Statement of Financial Position and continues to be measured using the same criteria used prior to the transfer, but the following is recognized in accounting:

An associated financial liability for an amount equal to the consideration received is recorded and is subsequently measured at amortized cost.

Income from the financial asset transferred (but not derecognized) and expenses of the new financial liability.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Accordingly, financial assets are only derecognized from the consolidated statement of financial position when the rights over the resulting cash flows are extinguished or when risks and benefits are substantially transferred to third parties. Similarly, financial liabilities are only derecognized from the consolidated statement of financial position when the resulting obligations are discharged or when they are acquired with the intent of paying them or refinancing them.

**31) Use of judgments and estimates:** The preparation of financial statements requires that Management make judgments, estimates and assumptions that affect the application of accounting policies and the amount of assets, liabilities, income and expenses reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis by the Bank's Senior Management in order to quantify some assets, liabilities, revenues, expenses and uncertainties. Revisions to estimates are recognized in the period in which the estimate is revised and any future periods affected.

Particularly, the information about significant areas of estimations made by Management and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated financial statements, are described in following notes:

- Allowances and impairment losses of certain assets.
- Measurement of financial and derivative instruments.
- Useful lives of property and equipment and intangible assets.
- Use of tax losses.
- Contingencies and commitments.

During the year ended December 31, 2023, there have been no significant changes in estimates.

**32) Minimum dividends:** The Bank recognizes in liabilities as a provision the percentage of profit for the year (30%) as minimum dividends in compliance with the provisions of Chapter B-4 of the Compendium of Accounting Standards issued by the CMF.

**33) Earnings per share:** Basic earnings per share are determined by dividing the net income attributable to the Bank for a period by the weighted average number of shares outstanding during that period.

Diluted earnings per share are determined in the same manner as basic earnings, the average amount of outstanding shares is adjusted in order to take into effect the potential dilutive effect of share options, warrants and convertible debt.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

As of December 31, 2023 and 2022, the Bank does not have instruments that generate dilutive effects on earnings per share.

**34) Transactions with related parties:** Transactions with related companies are equivalent to those that occur in arm's length transactions performed between unrelated parties.

Interest received from or paid to related parties is normal commercial interest.

**35) Consolidated Statement of Changes in Equity:** The consolidated statement of changes in equity included in these consolidated financial statements includes all the changes in consolidated equity for the year. This information is shown in two statements: the consolidated statement of other comprehensive income for the year and the consolidated statement of changes in equity for the period. The main features of the information contained in the two parts of the statement are explained below:

**i) Consolidated Statement of Other Comprehensive Income for the Year:** This part of the Consolidated Statement of Changes in Equity presents the income and expenses generated by the Bank's activities during the period, distinguishing between those recorded as profit or loss in the consolidated statement of income and other income and expenses recognized directly in equity.

Accordingly, these consolidated financial statements present within the Consolidated Statement of changes in equity:

- (a) The consolidated profit or loss for the period.
- (b) The net amount of income and expenses recognized temporarily as valuation adjustments in equity.
- (c) The net amount of income and expenses finally recognized in equity.
- (d) The income tax accrued for the items indicated in b) and c) above, except for valuation adjustments arising from investments in associates or joint ventures accounted for using equity method, which are presented on a net basis.
- (e) The total consolidated income and expenses recognized and calculated as the sum of the preceding letters, showing separately the amount allocated to the controlling interest and non-controlling interest.



**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

- ii) Consolidated Statement of Changes in Equity:** This statement presents a reconciliation of the carrying amounts at the beginning and end of the period of all items comprising net equity, grouping the movements that have occurred according to their nature.

**36) Business combinations:**

- a)** Business combinations are accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

In the acquisition of a business, an independent specialist is used to perform a fair value determination of the net assets acquired and the identification of intangible assets. For the valuation of these intangible assets identified in a business combination, cash flow projections are used based on estimates of the performance of the acquired businesses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and



**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation shall be initially measured at, either fair value or at the non-controlling interests’ proportionate share in the recognized amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Remeasurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

**b) Acquisition of Autofin S.A.****i. General information on the transaction**

On August 12, 2022, Banco Internacional and Autofin entered into an agreement called “Purchase and Sale Agreement”, by which these parties agreed to acquire 51% of the business of Autofin S.A., subject to the prior approval of the relevant regulatory authorities. In order to carry out the corresponding integration and to prepare for the development of the Bank's business resulting from the incorporation of Autofin, Banco Internacional has relied on internal studies and has been advised by consulting firms of international repute to address the most important aspects of the incorporation, such as: organization and governance, operations and technology, among others. This work corresponds to the report of the Business Development Plan that Banco Internacional has developed with the support of their advisors.

**ii. Description of the acquired business**

Autofin S.A. is an automotive financing company founded in 2011. It has been controlled since 2016 by Frontal Trust and Inversiones y Rentas Bilbao (association of 30 dealers), with placements of MCh\$170 thousand as of June 2022; it has 30 thousand customers and more than 100 financing agreements with dealers.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED****iii. Main reasons for the acquisition**

To improve financing costs: the Bank's financing costs are lower than Autofin's, which implies cost savings. Secondly, the leverage effect of the merger allows Autofin to reduce its capital requirements, thereby improving its ROE.

To strengthen the business model through access to better financing, the debt capacity of non-bank companies is limited, requiring low leverage. In addition, the business model requires dealer financing. By merging with the Bank, Autofin can access sufficient funding to grow and strengthen its business model through dealer financing.

To acquire customers and new lines of business: joining forces with Autofin will allow the Bank to create a new line of business and diversify its generating capacity. At the same time, the Bank will gain 30,000 new customers. These 30,000 customers have the potential to other products that do not compete with auto loans: credit cards, mortgages, accounts, deposits, etc. Finally, Autofin's potential growth would allow it to double its current customer portfolio.

## NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### iv. Detail of assets acquired and liabilities assumed at fair value

The detail of the identifiable assets and liabilities at fair value of Autofin S.A. at the acquisition date is as follows:

As of August 1, 2023

Items	Note	Carrying amount(CMF)	Fair value adjustments (MCh\$)	Provisional Fair Value
<b>Assets</b>				
Cash and deposits in banks		4,226	-	4,226
Transactions pending settlement		-	-	-
Financial assets held for trading at fair value through profit or loss		10,169	-	10,169
Financial assets not held-for-trading mandatorily measured at fair value through profit or loss		-	-	-
Financial assets designated at fair value through profit or loss		69	-	69
Financial assets at fair value through other comprehensive income		-	-	-
Debt instruments		-	-	-
Other		-	-	-
Derivative instruments for hedge accounting		-	-	-
Financial assets at amortized cost	a	170,730	6,814	177,544
Investments in companies		-	-	-
Intangible assets	b	2,114	4,810	6,924
Property, plant and equipment		-	-	-
Right-of-use assets under lease agreements		177	-	177
Current tax liabilities		293	-	293
Deferred taxes		4,864	-	4,864
Other assets		20,168	-	20,168
Non-current assets and disposal groups held for sale		1,054	-	1,054
<b>TOTAL ASSETS</b>		<b>213,864</b>	<b>11,624</b>	<b>225,488</b>
<b>LIABILITIES</b>				
Transactions pending settlement		-	-	-
Financial liabilities held-for-trading at fair value through profit or loss		-	-	-
Financial liabilities designated at fair value through profit or loss		-	-	-
Derivative instruments for hedge accounting		-	-	-
Financial liabilities at amortized cost	c	144,876	284	145,160
Lease agreement liabilities		188	-	188
Regulatory capital financial instruments issued (subordinated bonds)		-	-	-
Provisions for contingencies		1,758	-	1,758
Provisions for dividends, interest payments and repricing of bonds with no fixed maturity date		-	-	-
Special allowances for credit risk	d	2,499	-2,499	-
Current tax		-	-	-
Deferred taxes		5,120	3,737	8,857
Other liabilities		29,806	-	29,806
Liabilities included in disposal groups held-for-sale		-	-	0
<b>TOTAL LIABILITIES</b>		<b>184,247</b>	<b>1,522</b>	<b>185,769</b>

## NOTE 2—SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The adjustments made to value the assets acquired and liabilities assumed at fair value, and the intangible assets generated net of deferred taxes amount to Ch\$10,102 million and are shown below:

- a) The fair value adjustment of Ch\$6,814 million is generated by an increase in the gross balance of placements corresponding to the estimate of the present value of the future cash flows of the acquired placements.
- b) The value of the intangible asset for customer relationship represents the future generation of new business with Autofin's current portfolio. An intangible asset has been identified for Autofin's recurring portfolio related to current loans, the net carrying amount of which was Ch\$170,730 million. The intangible asset does not include Autofin's current portfolio of customers, but rather the potential portfolio of customers that could reapply for financing. Based on historical information on Autofin's loan portfolio, an attrition rate of 50% has been considered.
- c) The item consists of banks borrowings, bonds and other public sector financial liabilities. The fair value adjustment of Ch\$284 corresponds to an increase of Ch\$426 million in bank borrowings and a decrease of Ch\$42 million in bonds and Ch\$100 million in other public sector financial liabilities.
- d) In addition, there is a reversal of the liability, special provisions for credit risk, the amount of which is associated with Autofin's loan portfolio. The provisions are reversed as the fair value estimation of the loans takes into account the discount rate risk.

The following intangible assets and bargain purchase gain arose as a result of this business combination:

- a. Portfolio intangible assets
- b. Bargain purchase gain

### Breakdown of intangible assets identified in the business combination

Detail	Provisional MCh\$	Amortization	Useful life
<b>a) Portfolio intangible assets</b>	4,810	Amortized	3,5 years
<b>b) Bargain purchase gain</b>	5,152	Not applicable	Not applicable

**NOTE 3—NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND ADOPTED, OR ISSUED BUT NOT YET ADOPTED****a) Accounting standards issued by the Financial Market Commission**

**Circular No. 2,305:** On February 16, 2022, the Financial Market Commission amended Chapter I of the Compendium of Accounting Standards for Banks.

Table No. 2 of Appendix No. 6 of the Compendium of Accounting Standards for Banks is amended. This table is part of the solvency ratios for regulatory compliance. For the interim financial statements for March, June and September 2022, Table 2 should be reported without the comparison to the prior year. In addition, for the interim financial statements of March, June and September 2022, banks must disclose information on capital requirements according to the format of Appendix No. 5 in effect until 2021.

**Circular No. 2,313:** On April 27, 2022, the last amendment to the CNC for Banks established the composition of the group portfolio, commercial exposures, other than student loans, associated with the same counterparty. Subsequently, the CMF established in Chapter 12--16 of the RAN the definition of a corporate group, as well as the scope of its application. Considering the work banks have performed to form the corporate groups and, in order to maintain consistency in the regulations, the CMF determined to use the same definition and scope of corporate group established in Chapter B-1 of the CNC.

**Circular No. 2,320:** On September 21, 2022, the Financial Market Commission ceased the delivery of file CO4 of the Accounting System, used to collect information on common equity, effective equity and credit risk-weighted assets.

**Circular No. 2,331:** “Information on loans covered by the guarantees of the FOGAPE Chile Apoya program”. On February 7, 2023, the CMF determined to incorporate into its information systems the information necessary to evaluate the operation of the FOGAPE Chile Apoya program, developed under Law No. 21,514.

**Circular No 2,243:** The new version of the Compendium of Accounting Standards for Banks mainly incorporates the accounting information needed to prepare the Financial Statements with the full implementation of Basel III, in addition to incorporating certain details in its instructions, which arise from both the internal analysis and consultations received from banking system players.

**NOTE 3—NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND ADOPTED, OR ISSUED BUT NOT YET ADOPTED, CONTINUED**

Note that upon processing comments and suggestions received during the public consultation period, certain adjustments have been made to the original exposure draft, mainly related to the application of the IFRS:

- IFRS 9 "Classification and Measurement" for the accounting treatment of instruments that can be considered additional tier 1 (AT1) and tier 2 (T2) capital
- IAS 8 for errors associated with operational risk events
- IAS 37 for the determination of allowances for operational risk

In addition, Chapter B-1 on the aggregate exposure for the group commercial portfolio is amended and a longer term is proposed for its adoption regardless of the date of first application of the Compendium.

In addition, it incorporates the changes that this process causes in certain files of the Information System Manual for Banks.

This new Compendium of Accounting Standards for Banks will be effective beginning on January 1, 2022. Notwithstanding the foregoing, a deadline is added to implement the criterion for grouping debtors whose aggregate exposure must be measured jointly, established in paragraph i) of No. 3 of Chapter B-1, which must be considered beginning on July 1, 2022.

Regarding the modifications introduced in files, tables and forms of the Information System Manual for Banks, they should be considered from the information referred to January 2022, which will be sent during February 2022.

Finally, to facilitate the analysis, a document is added that connects the accounting structure currently in force up to December 31, 2021, which requirement becomes effective on January 1, 2022. In addition, the compare between the 2022 version, published in December 2019 and the updated version published on this date is included.

The initial adoption impacts that affected the International Bank were equivalent to Ch\$288,747 with effect in equity, which corresponds to the modification of the accounting policy of suspension of accrual and impairment of financial assets without significant increase in credit risk since initial recognition.

**NOTE 3–NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND ADOPTED, OR ISSUED BUT NOT YET ADOPTED, CONTINUED**

**e) The following New IFRSs and amendments to IFRS have been adopted in these consolidated financial statements.**

<b>New IFRS</b>	<b>Mandatory Effective Date</b>
IFRS 17, <i>Insurance Contracts</i>	Annual periods beginning on or after January 1, 2023.
<b>Amendments to IFRS</b>	<b>Mandatory Effective Date</b>
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Annual periods beginning on or after January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	Annual periods beginning on or after January 1, 2023.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023.
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023.

The application of IFRS 17 and the detailed Amendments are not applicable to the Bank and its subsidiaries and therefore have no effect on the amounts reported in these financial statements.

**f) Standards and amendments to IFRS that have been issued but not yet effective:**

<b>Amendments to IFRS</b>	<b>Mandatory Effective Date</b>
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024.
Non-current Liabilities with Covenants (Amendments to NIC 1)	Annual periods beginning on or after January 1, 2024.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Annual periods beginning on or after January 1, 2024.
Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after January 1, 2025.
Amendments to the SASB standards to enhance their international applicability	Annual periods beginning on or after January 1, 2025.

The Bank is studying the impact that these amendments will have on the consolidated financial statements in future periods to the extent applicable to them.

**NOTE 4 – ACCOUNTING CHANGES**

As of the date of these consolidated financial statements, there were no significant accounting changes.

**NOTE 5 – SIGNIFICANT EVENTS**

As of December 31, 2023 and 2022, the following significant events have been recorded that have influenced the Bank's operations (or the Consolidated Financial Statements).

**March 2023**

The international risk rating agency S&P confirmed the Bank's "BBB+" rating.

**April 2023**

At the 507th Ordinary Board of Directors' Meeting held on February 28, 2023, the Board of Directors of Banco Internacional decided to call an Ordinary Shareholders' Meeting to be held on April 25, 2023 at 6:00 p.m., followed by an Extraordinary Shareholders' Meeting, both to be held consecutively, to decide, among other things, on the following matters:

**Ordinary Shareholders' Meeting**

1. Approval of the Annual Report, Balance Sheet, Financial Statements with their Notes and External Auditors' Report, corresponding to the year from January 1 to December 31, 2022;
2. Determination and approval of the Board members' remuneration;
3. Dividend policy;
4. Total renewal of the Board of Directors for the period 2023 - 2026;
5. Appointment of external auditors and rating agencies for 2023;
6. Information on the operations referred to in Articles 146 and following of Law No. 18.046;
7. Deciding on the proposal of the Board of Directors to distribute with charge to profits for the year 2022, amounting to Ch\$47,527,144,707, the sum of Ch\$14,258,143,412, amount that would be distributed to the shareholders as a dividend to the validly issued shares of the Bank. If approved, the dividend will be paid after the close of the Meeting and all shareholders of record will be entitled to receive it 5 business days prior to the date set for payment;
8. Designation of the newspaper for legal publications for the year 2023; and
9. All other matters within its jurisdiction.



**NOTE 5 – SIGNIFICANT EVENTS, CONTINUED**

**/ONE/** At the 101st Ordinary Shareholders' Meeting of Banco Internacional held on April 25, 2023, the following resolutions, among others, were adopted:

1. The shareholders approved the Annual Report, Balance Sheet, Financial Statements and their related Notes and Independent Auditors' Report for the year between January 1 and December 31, 2022;
2. Banco Internacional's dividend policy for the years 2023, 2024 and 2025 has been set at an annual distribution of 30% of net profits.
3. Deloitte was appointed as external audit firm for the year 2023, and the domestic rating agencies Feller Rate Clasificadora de Riesgo Limitada and ICR Compañía Clasificadora de Riesgo Limitada, and the international rating agencies Fitch Ratings and S&P Global were appointed as risk rating agencies for the year 2023.
4. The following persons have been elected to the Board of Directors of Banco Internacional for the period 2023 - 2026:
  - a. Mr. Arturo José Tagle Quiroz;
  - b. Mr. Andrés Solari Urquieta;
  - c. Mrs. María Carolina Cuevas Merino;
  - d. Mrs. Patricia Norambuena Bucher;
  - e. Mr. Paulo Bezanilla Saavedra;
  - f. Mr. Fred Enrique Meller Sunkel;
  - g. Mr. Sebastián Claro Edwards;
  - h. Mr. Carlos Brito Claissac; and
  - i. Mr. Andrés Navarro Betteley.
5. The immediate distribution of a dividend of Ch\$3.8034038 per share was approved, which will be paid with a debit to profit for the year 2022.

**/TWO/** In accordance with the provisions of the law and the bylaws of Banco Internacional, at the 133rd Extraordinary Board of Directors' Meeting held on April 26, 2023, Mr. Arturo José Tagle Quiroz was elected Chairman of Banco Internacional' Board of Directors of Mr. Andrés Solari Urquieta was elected Vice-Chairman of the Board of Directors.

**NOTE 5 - SIGNIFICANT EVENTS, CONTINUED**

**/THREE/** At the 38th Extraordinary Shareholders' Meeting, held after the Ordinary Shareholders' Meeting, the following resolutions were adopted:

1. The Board of Directors of Banco Internacional was authorized to establish the terms and conditions for the issuance of the remaining 1,236,940 common shares of a single series, of the same value and with no par value, to be issued as a result of the capital increase of Banco Internacional approved at the 35th Extraordinary Shareholders' Meeting held on August 12, 2019 and at the 37th Extraordinary Shareholders' Meeting held on June 8, 2020.
2. It was agreed to increase the capital of Banco Internacional in the amount of Ch\$25,000,000,000 (twenty-five billion pesos), through the issuance of 460,183,938 paid-in shares, with no par value, which must be subscribed and paid at the price, term and other conditions determined by the Board of Directors.
3. The other agreements required to legalize and implement the amendments to the Bylaws were adopted.

**June 2023****Extraordinary Shareholders' Meeting**

1. To authorize the Board of Directors of Banco Internacional to establish the terms and conditions for the issuance of the remaining 1,236,940 common shares of a single series, of the same value and with no par value, to be issued as a result of the capital increase of Banco Internacional approved at the 35th Extraordinary Shareholders' Meeting held on August 12, 2019 and at the 37th Extraordinary Shareholders' Meeting held on June 8, 2020;
2. To increase the capital of Banco Internacional in the amount of Ch\$25,000,000,000 (twenty-five billion pesos), or such other amount as may be approved by the Board, through the issuance of 460,183,938 paid-in shares, with no par value, which must be subscribed and paid at the price, term and other conditions determined by the Board of Directors or its delegate; and
3. To adopt the other agreements required to legalize and implement the amendments to the Bylaws and other agreements that may be adopted.

**/ONE/** At the 134th Extraordinary Board of Directors' Meeting held on June 16, 2023, the Board of Directors of Banco Internacional agreed to call an Extraordinary Shareholders' Meeting for June 27, 2023, in order to decide, among others, on the matters indicated below:

1. To cancel and reduce the capital in the amount of Ch\$56,220,772, corresponding to the remaining 1,236,940 common shares not subscribed at that date, and consequently to reduce the capital of Banco Internacional to Ch\$195,387,882,945, divided into 4,208,969,015 common shares, nominative, of a single series, of the same value and with no par value;
2. To amend the sixth permanent article and the first transitory article of Banco Internacional's bylaws; and

**NOTE 5 - SIGNIFICANT EVENTS, CONTINUED**

3. To adopt the remaining agreements necessary to legalize and implement the amendments to the Bylaws and other approved agreements.

**/TWO/** At the 39th Extraordinary Shareholders' Meeting held on June 27, 2023, the following resolutions were adopted:

1. To cancel and reduce the capital in the amount of Ch\$56,220,772, corresponding to the remaining 1,236,940 common shares not subscribed at that date, and consequently to reduce the capital of Banco Internacional to Ch\$195,387,882,945, divided into 4,208,969,015 common shares, nominative, of a single series, of the same value and with no par value;
2. The sixth permanent article and the first transitory article of Banco Internacional's bylaw was amended; and
3. The remaining agreements necessary to legalize and implement the amendments to the Bylaws and other approved agreements were adopted.

**July 2023**

At the 512th Ordinary Board of Directors' Meeting held on July 25, 2023, it was agreed to issue 460,183,938 common shares, nominative, of a single series, of the same value, with par value, with the preferential option period commencing on August 24, 2023 and ending on September 22, 2023, both dates inclusive.

**August 2023**

**/ONE/** On August 1, 2023, Banco Internacional acquired 51% of Autofin S.A.'s shares. Therefore, the latter became a subsidiary of the Bank and a business support company. The CMF, by means of exempt resolution No. 3,265 of May 10, 2023, approved the request of Banco Internacional to acquire 51% of Autofin S.A.'s shares, thus becoming a banking support company, in accordance with the provisions of Article 74 letter b) of the General Banking Law. The date of the acquisition was August 1, 2023.

**/TWO/** On August 24, the subscription period for the shares issued in connection with the Bank's capital increase began.

**September 2023**

On September 22, the subscription period for the shares issued in connection with the Bank's capital increase ended.

**October 2023**

As of October 31, 2023, according to Exempt Resolution No. 8015, the mutual fund called "Fondo Mutuo BI Estratégico", under registration number FM201650, has assets equivalent to UF 9,792.15 less than the UF 10,000 established in Article 5 of Law 20,172. It should be noted that it has until October 20, 2024, to comply with the minimum equity established by the Law that regulates the management of third-party funds and individual portfolios.

**November 2023**

**/ONE/** In November 2023, Banco Internacional obtained a credit facility from *IDB Invest* in the amount of US\$255 million, in order to continue promoting the growth of loans to micro, small and medium-sized companies, as well as the diversification of our sources of financing.

**NOTE 5 - SIGNIFICANT EVENTS, CONTINUED**

*/TWO/* On November 22, 2023, the preferred subscription period began so that shareholders who expressed their interest in the period ending in September 2023 may subscribe, on a pro rata basis, the remaining shares to which they are entitled in the second round.

**December 2023**

On December 22, 2023, the second subscription period for the shares issued in connection with the Bank's capital increase ended.

**February 2022**

The rating agency Fitch Ratings upgraded the Bank's rating from "BBB-" to "BBB", with a stable outlook.

**March 2022**

At the 496th Ordinary Board of Directors' Meeting held on March 22, 2022, the Board of Directors of Banco Internacional agreed to call an Ordinary Shareholders' Meeting for April 26, 2022, at 6:00 p.m., in order to decide, among others, on the matters indicated below:

1. Approval of the Annual Report, Balance Sheet, Financial Statements with their Notes and External Auditors' Report, corresponding to the year from January 1 to December 31, 2021;
2. Determination and approval of the Board members' remuneration;
3. Dividend distribution;
4. Total renewal of the Board of Directors for the period 2022 - 2025;
5. Appointment of external auditors and rating agencies for 2022;
6. Information on the operations referred to in Articles 146 and following of Law No. 18.046;
7. Deciding on the proposal of the Board of Directors to distribute with charge to profits of the year 2021, amounting to Ch\$33,029,385,537, the sum of Ch\$9,908,815,661, amount that would be distributed to the shareholders as a dividend to the validly issued shares of the Bank.

**April 2022**

At the 101st Ordinary Shareholders' Meeting of Banco Internacional held on April 26, 2022, the following resolutions, among others, were adopted:

1. The shareholders approved the Annual Report, Balance Sheet, Financial Statements and their related Notes and Independent Auditors' Report for the year between January 1 and Friday, December 31, 2021;
2. An annual distribution of 30% of net profit was set as the dividend policy for the next year;

**NOTE 5 - SIGNIFICANT EVENTS, CONTINUED**

3. Deloitte was appointed as external audit firm for the year 2022, and the domestic rating agencies Feller Rate Clasificadora de Riesgo Limitada and ICR Compañía Clasificadora de Riesgo Limitada, and the international rating agencies Fitch Ratings and S&P Global were appointed as risk rating agencies for the year 2022;
4. The following persons have been elected to the Board of Directors of Banco Internacional for the period 2022 - 2025:
  - a. Mr. Segismundo Schulin-Zeuthen Serrano;
  - b. Mr. Andrés Solari Urquieta;
  - c. Mrs. María Carolina Cuevas Merino;
  - d. Mr. Arturo José Tagle Quiroz;
  - e. Mr. Juan Antonio Minassian Baloian;
  - f. Mr. Fred Enrique Meller Sunkel;
  - g. Mr. Sebastián Claro Edwards;
  - h. Mr. Carlos Brito Claissac; and
  - i. Mr. Andrés Navarro Betteley.
5. The Company approved the immediate distribution of a dividend of **\$2.6432072** per share, to be paid from profit for 2021.

In accordance with the provisions of the law and the bylaws of Banco Internacional, at the 129th Extraordinary Board of Directors' Meeting held on April 27, 2022, Mr. Segismundo Schulin-Zeuthen Serrano was elected Chairman of the Board of Directors of Banco Internacional and Mr. Andrés Solari Urquieta was elected Vice-Chairman of the Board of Directors

**July 2022**

The rating agency ICR upgraded the Bank's rating to "AA" with a stable outlook.

**August 2022**

On August 12, 2022, the Bank and the current shareholders of Autofin S.A. entered into a share purchase and sale agreement, whereby Banco Internacional may acquire 51% of the shares of Autofin S.A., which is subject to obtaining approvals from the Financial Market Commission and the National Economic Prosecutor's Office.

**December 2022**

On December 14, 2022, the National Economic Prosecutor's Office approved unconditionally the transaction related to the acquisition of controlling interest in Autofin S.A. by Banco Internacional.

**NOTE 6 – OPERATING SEGMENTS**

Banco Internacional is a bank that offers a full range of financial products and services to several types of corporate and personal customers. For business customers, Banco Internacional covers a broad spectrum of target segments, from corporate customers to SMEs. In addition, Banco Internacional has a footprint in individual customers.

The Bank's products and services are offered and provided through a network of branches covering in the main cities in Chile, through remote and digital channels. Banco Internacional recognizes the importance for its customers of being provided through agile and modern channels and, consequently, has moved forward with the opening of six Business Centers in Rancagua, Talca, Temuco and La Serena, Puerto Montt and Copiapó to provide services to its customers. The Business Centers are focused on providing the best and closest advice to our clients, not using traditional transactional channels.

The Bank's business segments are defined as distinguishable areas derived from its business strategy. These correspond to segments that engage in business activities from which they may earn revenues and incur expenses, in accordance with International Financial Reporting Standard No. 8, Operating Segments (IFRS 8). The Bank has aggregated operating segments that share similar economic characteristics in accordance with the criteria set out in the standard.

The information presented in this note is not necessarily comparable with that of other financial institutions, since it is based on management information based on internal business criteria. Each operating segment reflects its gross operating income, direct support expenses, provisions for credit risk, assets and liabilities.

The gross operating income of the commercial operating segments includes the treasury results that can be directly attributable to the business areas. The latter comprise the results from net indexation and treasury products for customers generated from business activities and/or commercial assets and liabilities and that would not otherwise occur.

Net interest income of each segment reflects the results from management actions conducted by each business, considering transfer pricing between the commercial and financial management areas. For this reason, the amounts included in this note cannot be reconciled to the balances contained in the Statement of income.

**NOTE 6 – OPERATING SEGMENT, CONTINUED**

The operating segments that Banco Internacional Management has defined are:

**Commercial Banking:** Includes all business customers with annual sales of more than MCh\$300. Banco Internacional offers these customers additive working capital products, foreign trade, leasing, factoring, revolving credit facilities, credit cards, structured financing, among other products which enhance assets. The products which generate liabilities offered include current accounts in domestic and foreign currency, term deposits and mutual funds. Additionally, Banco Internacional offers a wide range of services such as collection, cash management and a wide range of Treasury products, from hedging derivatives to spot transactions such as the purchase/sale of foreign currency.

**Personal Banking:** Includes the segments of natural persons, without business activities. Banco Internacional offers these customers current account products, consumer loans, credit cards, term deposits, mutual funds, mortgage loans and other products designed for this segment. Additionally, it groups together all those corporate customers with annual sales of less than MCh\$300.

**Treasury and Investments:** Considers the assets and liabilities associated with treasury businesses, including transactions performed by the Finance Management in its Trading, Financial Management and Internal Treasury Management areas.

## NOTE 6 – OPERATING SEGMENT, CONTINUED

The results, assets and liabilities of the operating segments are presented below:

**Profit or loss**

For the year ended December 31, 2023	Commercial Banking MCh\$	Personal Banking MCh\$	Treasury and Investments MCh\$	Total MCh\$
Loans	64,860	17,166	-	82,026
Current accounts	13,829	639	-	14,468
Deposits	2,014	569	27	2,610
<b>Net interest income</b>	<b>80,703</b>	<b>18,374</b>	<b>27</b>	<b>99,104</b>
Trading	-	-	3,349	3,349
Financial Management	5,099	-	-	5,099
Internal Treasury Management	-	-	492	492
<b>Net adjustments, Trading and Treasury products</b>	<b>5,099</b>	<b>-</b>	<b>3,841</b>	<b>8,940</b>
Commission income	15,967	9,704	-	25,671
Commission expense	(10,804)	(10,579)	(1,815)	(23,198)
Other income	2,098	23,465	-	25,563
Other income and commissions not included in segments	-	-	-	35,758
<b>Net commission income and other</b>	<b>7,261</b>	<b>22,590</b>	<b>(1,815)</b>	<b>63,794</b>
<b>Gross operating profit</b>	<b>93,063</b>	<b>40,964</b>	<b>2,053</b>	<b>171,838</b>
<b>Provisions</b>	<b>(18,574)</b>	<b>(8,986)</b>	<b>-</b>	<b>(27,560)</b>
Support expenses	(22,897)	(12,449)	(5,022)	(40,368)
Personnel salaries and expenses	(20,310)	(8,967)	(4,413)	(33,690)
Administrative expenses	(2,587)	(3,482)	(609)	(6,678)
Depreciation and amortization	-	-	-	-
Impairment losses	-	-	-	-
Expenses not included in segments	-	-	-	(36,752)
<b>Support expenses</b>	<b>(22,897)</b>	<b>(12,449)</b>	<b>(5,022)</b>	<b>(77,120)</b>
<b>Operating profit</b>	<b>51,592</b>	<b>19,529</b>	<b>(2,969)</b>	<b>67,158</b>
Share of profit or loss from investments in companies	-	-	-	-
Profit before income tax	-	-	-	67,158
Income tax	-	-	-	(12,733)
<b>Profit (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,425</b>
Owners of the bank	-	-	-	55,409
Non Controlling Interest Income (Loss)	-	-	-	(984)
For the year ended December 31, 2022	Commercial Banking MCh\$	Personal Banking MCh\$	Treasury and Investments MCh\$	Total MCh\$
Loans	57,626	2,212	-	59,838
Current accounts	6,953	455	-	7,408
Deposits	2,144	446	11	2,601
<b>Net interest income</b>	<b>66,723</b>	<b>3,113</b>	<b>11</b>	<b>69,847</b>
Trading	-	-	4,258	4,258
Financial Management	4,593	-	-	4,593
Internal Treasury Management	-	-	25,854	25,854
<b>Net adjustments, Trading and Treasury products</b>	<b>4,593</b>	<b>-</b>	<b>30,112</b>	<b>34,705</b>
Commission income	9,857	5,207	1	15,065
Commission expense	(4,047)	(4,109)	(2,217)	(10,373)
Other income	264	19,046	-	19,310
Other income and fees and commissions not included in segments	-	-	-	5,955
<b>Net commission income and other</b>	<b>6,074</b>	<b>20,144</b>	<b>(2,216)</b>	<b>29,957</b>
<b>Gross operating profit</b>	<b>77,390</b>	<b>23,257</b>	<b>27,907</b>	<b>134,509</b>
<b>Provisions</b>	<b>(17,447)</b>	<b>(2,520)</b>	<b>-</b>	<b>(19,967)</b>
Support expenses	(23,979)	(2,749)	(5,133)	(31,861)
Personnel salaries and expenses	(18,513)	(2,015)	(3,895)	(24,423)
Administrative expenses	(5,466)	(734)	(1,238)	(7,438)
Depreciation and amortization	-	-	-	-
Impairment losses	-	-	-	-
Expenses not included in segments	-	-	-	(30,649)
<b>Support expenses</b>	<b>(23,979)</b>	<b>(2,749)</b>	<b>(5,133)</b>	<b>(62,510)</b>
<b>Operating profit</b>	<b>35,964</b>	<b>17,988</b>	<b>22,774</b>	<b>52,032</b>
Share of profit (loss) from investments in companies	-	-	-	-
Profit before income tax	-	-	-	52,032
Income tax	-	-	-	(4,505)
<b>Profit (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,527</b>
Owner of the Bank	-	-	-	47,526
Non-controlling interest income (loss)	-	-	-	1



**NOTE 6 – OPERATING SEGMENT, CONTINUED**

<b>a) Assets and liabilities : Commercial Banking</b>	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
<b>Financial assets at amortized cost</b>		
Commercial loans	2,676,291	2,287,368
Mortgage loans	11,455	8,827
Consumer loans	1,983	1,425
<b>Total assets</b>	<b>2,689,729</b>	<b>2,297,620</b>
<b>Financial liabilities at amortized cost</b>		
Deposits and other on-demand liabilities	199,983	157,401
Deposits and other term deposits	1,450,798	1,335,199
<b>Total liabilities</b>	<b>1,650,781</b>	<b>1,492,600</b>
<b>b) Assets and liabilities: Personal banking</b>	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
<b>Financial assets at amortized cost</b>		
Commercial loans	288,917	252,175
Mortgage loans	88,333	61,845
Consumer loans	228,038	21,727
<b>Total assets</b>	<b>605,288</b>	<b>335,747</b>
<b>Financial liabilities at amortized cost</b>		
Deposits and other on-demand liabilities	11,815	8,424
Deposits and other term deposits	399,296	268,102
<b>Total liabilities</b>	<b>411,111</b>	<b>276,526</b>

## NOTE 6 – OPERATING SEGMENT, CONTINUED

c) Assets and liabilities : Treasury and Investments	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Financial assets held-for-trading at fair value through profit or loss</b>	<b>409,128</b>	<b>284,950</b>
Financial derivative contracts	369,727	8,424
Financial debt instruments	4,437	
Other financial instruments	34,964	276,526
Mutual funds managed by related companies	30,641	8,424
Mutual funds managed by third-parties	4,323	268,102
Other	-	-
<b>Financial assets not held-for-trading mandatorily measured at fair value through profit or loss</b>	<b>279</b>	<b>178</b>
Financial debt instruments	279	178
Other financial instruments	-	-
Other	-	-
<b>Financial assets designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>
Financial debt instruments	-	-
Other financial instruments	-	-
Other	-	-
<b>Financial assets at fair value through other comprehensive income</b>	<b>514,707</b>	<b>772,931</b>
<b>Debt instruments</b>	<b>514,707</b>	<b>532,625</b>
Debt instruments of Central Bank of Chile	467,656	235,377
Bonds and promissory notes issued by the Chilean Treasury	47,051	4,929
Other fiscal financial debt instruments	-	-
Other financial instruments issued in the country	-	-
Other	-	-
<b>Derivative instruments for hedge accounting</b>	<b>42,466</b>	<b>34,266</b>
Financial derivative contracts	42,466	34,266
<b>Financial assets at amortized cost</b>	<b>165,429</b>	<b>-</b>
Financial debt instruments	-	-
<b>Total assets</b>	<b>1,132,009</b>	<b>1,092,325</b>
<b>Financial liabilities held-for-trading at fair value through profit or loss</b>	<b>334,022</b>	<b>472,732</b>
Financial derivative contracts	334,022	472,732
Other financial instruments	-	-
<b>Financial liabilities designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>
Deposits and other on-demand liabilities	-	-
Deposits and other term deposits	-	-
Debt securities issued	-	-
Other	-	-
<b>Derivative instruments for hedge accounting</b>	<b>54,989</b>	<b>53,609</b>
Derivative instruments for hedge accounting	54,989	53,609
<b>Financial liabilities at amortized cost</b>	<b>1,845,060</b>	<b>918,396</b>
Deposits and other on-demand liabilities	19,562	9,358
Deposits and other term deposits	24,544	3,867
Bank borrowings	811,601	-
Debt instruments issued	986,690	905,171
Other financial liabilities	2,663	-
<b>Regulatory capital financial instruments issued</b>	<b>154,850</b>	<b>153,220</b>
Subordinated bonds	154,850	153,220
<b>Total liabilities</b>	<b>2,388,921</b>	<b>1,597,957</b>

## NOTE 7 – CASH AND CASH EQUIVALENTS

The detail of cash and cash equivalents and its reconciliation to the balance of cash flows as of December 31, 2023 and 2022, is as follows:

	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
<b>Cash and bank deposits</b>		
Cash	5,575	4,604
Deposits in the Central Bank of Chile (i)	215,012	119,912
Deposits in Central Banks abroad	-	-
Deposits in domestic banks	5,594	3,342
Deposits in banks abroad	33,261	17,851
<b>Subtotal – Cash and banks deposits</b>	<b><u>259,442</u></b>	<b><u>145,709</u></b>
	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
Transactions pending settlement, net (ii)	3,774	3,426
Highly-liquid financial instruments	14,229	403,641
Repurchase agreements	-	-
Other cash equivalents (iii)	-	-
<b>Total cash and cash equivalents</b>	<b><u>277,445</u></b>	<b><u>552,776</u></b>

The level of funds in cash and in the Central Bank of Chile relates to reserve requirements that the Bank must maintain.

**NOTE 7 – CASH AND CASH EQUIVALENTS, CONTINUED**

**Transactions pending settlement:** Transactions pending settlement correspond to transactions the settlement of which will increase or decrease cash in the Central Bank of Chile or in banks abroad in 24 business hours. At each period-end, these transactions are recorded according to the following detail:

	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
<b>Assets</b>		
Notes managed by other banks (exchange)	4,156	2,681
Transfer of funds pending receipt	62,127	29,673
<b>Subtotal – assets</b>	<b>66,283</b>	<b>32,354</b>
<b>Liabilities</b>		
Transfer of funds pending delivery	62,509	28,928
<b>Subtotal - liabilities</b>	<b>62,509</b>	<b>28,928</b>
Other cash equivalents (iii)	-	-
<b>Total transactions pending settlement, net</b>	<b>3,774</b>	<b>3,426</b>

- (i) The level of funds in cash and in the Central Bank of Chile relates to reserve regulations that the Bank must maintain on average monthly
- (ii) Transactions pending settlement correspond to transactions the settlement of which will increase or decrease cash in the Central Bank of Chile or in foreign banks, normally within 12 or 24 business hours.
- (iii) Refers to financial instruments that meet the criteria to be considered as "cash equivalents" as defined by IAS 7, i.e. to qualify as "cash equivalents", the investments in debt instruments must be short-term with an original maturity of 90 days or less from the date of acquisition, be highly liquid, be readily convertible to known amounts of cash from the date of initial investment, and that the financial instruments are exposed to an insignificant risk of changes in value.

## NOTE 8 – FINANCIAL ASSETS HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS

The detail of instruments designated as financial assets held for trading at fair value through profit or loss as of December 31, 2023 and 2022, is as follows:

	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
a) Financial derivative contracts	369,727	509,585
b) Financial debt instruments	4,437	-
c) Other financial instruments	34,964	20,262
<b>Total</b>	<b>409,128</b>	<b>529,847</b>

As of December 31, 2023	On-demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Estimated fair value
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Derivative contracts</b>								
Forwards	-	449,219	554,786	618,280	132,552	-	-	39,113
Swaps	-	190,870	1,516,998	6,323,564	2,510,518	715,209	765,621	330,614
Call options	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>640,089</b>	<b>2,071,784</b>	<b>6,941,844</b>	<b>2,643,070</b>	<b>715,209</b>	<b>765,621</b>	<b>369,727</b>
<b>Debt instruments</b>								
Issued by the Government and Central Bank of Chile	-	-	-	-	-	-	-	-
Other debt instruments issued in Chile	-	-	-	-	-	-	-	-
Debt instruments issued abroad	4,437	-	-	-	-	-	-	4,437
<b>Total</b>	<b>4,437</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,437</b>
<b>Other financial instruments</b>								
<b>Investments in mutual funds</b>	<b>34,964</b>	-	-	-	-	-	-	<b>34,964</b>
Mutual funds managed by related parties (**)	30,641	-	-	-	-	-	-	30,641
Mutual funds managed by third-parties	4,323	-	-	-	-	-	-	4,323
<b>Equity instruments</b>								
Equity instruments issued in Chile	-	-	-	-	-	-	-	-
Equity instruments issued abroad	-	-	-	-	-	-	-	-
<b>Loans originated and acquired by the entity</b>								
Loans and advances to banks	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>34,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,964</b>

The cash flows presented represent the fair values of the nominal values of the derivative instruments portfolio.

(\*\*) As of December 31, 2023, the Bank has a 22% ownership in Fondo Mutuo BI Liquidez, managed by Banco Internacional Administradora General de Fondos S.A.

**NOTE 8 – FINANCIAL ASSETS HELD FOR TRADING AT FAIR VALUE THROUGH  
PROFIT OR LOSS, CONTINUED**

As of December 31, 2022	On-demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Estimated fair value
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Derivative contracts</b>								
Forwards	-	482,243	352,426	429,136	244,257	-	-	77,852
Swaps	-	182,824	828,117	2,050,117	1,930,889	943,833	928,745	431,733
Call options	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>665,067</b>	<b>1,180,543</b>	<b>2,479,253</b>	<b>2,175,146</b>	<b>943,833</b>	<b>928,745</b>	<b>509,585</b>
<b>Debt instruments</b>								
Issued by the Government and Central Bank of Chile	-	-	-	-	-	-	-	-
Other debt instruments issued in Chile	-	-	-	-	-	-	-	-
Debt instruments issued abroad	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financial instruments</b>								
<b>Investments in mutual funds</b>	20,262	-	-	-	-	-	-	20,262
Mutual funds managed by related parties	20,055	-	-	-	-	-	-	20,055
Mutual funds managed by third-parties	207	-	-	-	-	-	-	207
<b>Equity instruments</b>								
Equity instruments issued in Chile	-	-	-	-	-	-	-	-
Equity instruments issued abroad	-	-	-	-	-	-	-	-
<b>Loans originated and acquired by the entity</b>								
Loans and advances to banks	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>20,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,262</b>

(\*) The cash flows presented represent the fair values of the nominal values of the derivative instruments portfolio.

**NOTE 8 – FINANCIAL ASSETS HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS, CONTINUED**

a) Below is a detail of the caption "Financial derivative contracts", broken down by type of risk:

	Notional amount of contracts							Fair Value
	On-demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
<b>As of December 31, 2023</b>								
Interest rate	-	-	16,923	17,969	144,516	97,179	22,670	8,864
Currency	-	449,219	554,786	618,280	132,552	-	-	39,844
Cross-currency	-	82,568	97,758	344,563	741,974	148,825	278,873	206,404
Other	-	108,302	1,402,317	5,961,032	1,624,028	469,205	464,078	114,615
<b>Total</b>	<b>-</b>	<b>640,089</b>	<b>2,071,784</b>	<b>6,941,844</b>	<b>2,643,070</b>	<b>715,209</b>	<b>765,621</b>	<b>369,727</b>
<b>As of December 31, 2022</b>								
Interest rate	-	-	-	105,628	120,803	117,072	47,514	14,593
Currency	-	482,243	352,426	429,136	244,257	-	-	77,984
Cross-currency	-	47,524	94,431	202,293	594,875	261,880	266,610	192,097
Other	-	135,300	733,686	1,742,196	1,215,211	564,881	614,622	224,911
<b>Total</b>	<b>-</b>	<b>665,067</b>	<b>1,180,543</b>	<b>2,479,253</b>	<b>2,175,146</b>	<b>943,833</b>	<b>928,746</b>	<b>509,585</b>

(\*) The cash flows presented represent the fair values of the nominal values of the derivative instruments portfolio.

**NOTE 9 – NON-TRADING FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

As of December 31, 2023 and 2022, Banco Internacional presents financial assets not intended for trading:

	<b>December 31, 2023 MCh\$</b>	<b>December 31, 2022 MCh\$</b>
a) Financial debt instruments	279	178
b) Other financial instruments	-	-
<b>Total</b>	<b>279</b>	<b>178</b>

As of December 31, 2023

	On- demand MCh\$	Up to 1 month MCh\$	1 to 3 months MCh\$	3 months to 1 year MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Held to maturity		Total MCh\$
								Less than 12 months Fair value MCh\$	More than 12 months Fair value MCh\$	
<b>Financial debt instruments</b>										
<b>Issued by the Government and Central Bank of Chile</b>										
Debt instruments of Central Bank of Chile	-	-	-	-	-	-	-	-	-	-
Bonds and promissory notes issued by the Chilean Treasury	-	-	-	-	-	-	-	-	-	-
Other debt instruments issued by the Government	-	-	-	-	-	-	-	-	-	-
<b>Other debt instruments issued in Chile</b>										
Instruments issued by other domestic banks	-	-	-	-	-	-	-	-	-	-
Corporate bonds and commercial papers	-	-	-	-	-	-	-	-	-	-
Other instruments issued in Chile	-	-	-	-	-	-	-	-	-	-
<b>Debt instruments issued abroad</b>										
Debt instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-	-	-
Debt instruments issued by foreign governments and government entities	-	-	-	-	-	-	-	-	-	-
Debt instruments issued by other foreign banks	279	-	-	-	-	-	-	-	-	279
Bonds and commercial papers issued by foreign companies	-	-	-	-	-	-	-	-	-	-
Other debt instruments issued abroad	-	-	-	-	-	-	-	-	-	-
<b>Other financial instruments</b>										
<b>Investments in mutual funds</b>										
Mutual funds managed by related parties	-	-	-	-	-	-	-	-	-	-
Mutual funds managed by third-parties	-	-	-	-	-	-	-	-	-	-
<b>Loans originated and acquired by the entity</b>										
Loans and advances to banks	-	-	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279</b>

As of December 31, 2022

	On- demand MCh\$	Up to 1 month MCh\$	1 to 3 months MCh\$	3 months to 1 year MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Held to maturity		Total MCh\$
								Less than 12 months Fair value MCh\$	More than 12 months Fair value MCh\$	
<b>Financial debt instruments</b>										
<b>Issued by the Government and Central Bank of Chile</b>										
Debt instruments of Central Bank of Chile	-	-	-	-	-	-	-	-	-	-
Bonds and promissory notes issued by the Chilean Treasury	-	-	-	-	-	-	-	-	-	-
Other debt instruments issued by the Government	-	-	-	-	-	-	-	-	-	-
<b>Other debt instruments issued in Chile</b>										
Instruments issued by other domestic banks	-	-	-	-	-	-	-	-	-	-
Corporate bonds and commercial papers	-	-	-	-	-	-	-	-	-	-
Other instruments issued in Chile	-	-	-	-	-	-	-	-	-	-
<b>Debt instruments issued abroad</b>										
Debt instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-	-	-
Debt instruments issued by foreign governments and government entities	-	-	-	-	-	-	-	-	-	-
Debt instruments issued by other foreign banks	178	-	-	-	-	-	-	-	-	178
Bonds and commercial papers issued by foreign companies	-	-	-	-	-	-	-	-	-	-
Other debt instruments issued abroad	-	-	-	-	-	-	-	-	-	-
<b>Other financial instruments</b>										
<b>Investments in mutual funds</b>										
Mutual funds managed by related parties	-	-	-	-	-	-	-	-	-	-
Mutual funds managed by third-parties	-	-	-	-	-	-	-	-	-	-
<b>Loans originated and acquired by the entity</b>										
Loans and advances to banks	-	-	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</b>

(\* ) The cash flows presented represent the fair values of the nominal values of the derivative instruments portfolio.



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

**Purchase commitment rights**

As of December 31, 2023 and 2022, Banco Internacional has no financial assets and liabilities designated at fair value through profit or loss:

**Sales commitment obligations**

Through the Sales Commitment Obligations, the Bank obtains funds by selling financial instruments and committing to purchase them at future dates, plus interest at a pre-fixed rate. As of December 31, 2023 and 2022, Banco Internacional does not hold any of these instruments.

	<b>As of December 31 2023 MCh\$</b>	<b>As of December 31 2022 MCh\$</b>
a) Financial debt instruments	-	-
b) Other financial instruments	-	-
	<hr/>	<hr/>
<b>Total</b>	<hr/> <hr/>	<hr/> <hr/>

## NOTE 11 – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Composition of financial assets at fair value through other comprehensive income, separated by debt financial instruments and other financial instruments or assets.

Financial debt instruments	December 31, 2023 MCh\$	December 31, 2022 MCh\$
<b>Issued by the Government and Central Bank of Chile</b>	467,656	768,002
Debt instruments of Central Bank of Chile	91,591	532,625
Bonds and promissory notes issued by the Chilean Treasury	376,065	235,377
Other debt instruments issued by the Government	-	-
<b>Other debt instruments issued in Chile</b>	47,051	49,170
Debt instruments issued by other domestic banks	47,051	44,241
Bonds and commercial papers of local companies	-	4,929
Other debt instruments issued in Chile	-	-
<b>Debt instruments issued abroad</b>	-	-
Debt instruments issued by foreign Central Banks	-	-
Debt instruments issued by foreign governments and government entities	-	-
Debt instruments issued by other foreign banks	-	-
Bonds and commercial papers issued by foreign companies	-	-
Other debt instruments issued abroad	-	-
<b>Total</b>	<b>514,707</b>	<b>817,172</b>
<b>Other financial instruments</b>		
<b>Loans originated and acquired by the entity</b>	-	-
Loans and advances to banks	-	-
Commercial loans	-	-
Mortgage loans	-	-
Consumer loans	-	-
<b>Other</b>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The rating of the issuers of debt financial instruments is presented below.

Ratings	December 31, 2023		December 31, 2022	
	MCh\$	%	MCh\$	%
AAA	467,656	90.86%	768,002	93.98%
AA+	-	0.00%	-	0.00%
AA	-	0.00%	29,487	3.61%
AA-	-	0.00%	14,754	1.81%
A+	-	0.00%	-	0.00%
A	-	0.00%	-	0.00%
A-	5,404	1.05%	4,929	0.60%
BBB+	-	0.00%	-	0.00%
With rating equal or above BB+	41,647	8.09%	-	0.00%
No rating	-	0.00%	-	0.00%
<b>Total</b>	<b>514,707</b>	<b>100.00%</b>	<b>817,172</b>	<b>100.00%</b>

non.

**NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGE ACCOUNTING**

As of December 31, 2023 and 2022, the Bank has the following derivative instruments portfolio:

As of December 31, 2023	Notional amount of contracts with final maturity							Fair value	
	On-demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Assets	Liabilities
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Fair value hedge derivatives</b>									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	31,900	11,200	63,059	213,678	16,290	232,131	42,466	-
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>31,900</b>	<b>11,200</b>	<b>63,059</b>	<b>213,678</b>	<b>16,290</b>	<b>232,131</b>	<b>42,466</b>	<b>-</b>
<b>Cash flow hedge derivatives</b>									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	-	-	7,995	-	216,315	35,500	-	54,989
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,995</b>	<b>-</b>	<b>216,315</b>	<b>35,500</b>	<b>-</b>	<b>54,989</b>
<b>Total</b>	<b>-</b>	<b>31,900</b>	<b>11,200</b>	<b>71,054</b>	<b>213,678</b>	<b>232,605</b>	<b>267,631</b>	<b>42,466</b>	<b>54,989</b>
<b>Derivatives held-for-trading</b>									
Forwards	-	944,544	1,112,725	1,658,894	235,139	-	-	39,113	44,718
Swaps	-	453,810	3,174,692	11,766,288	4,873,060	1,315,594	1,585,064	330,614	289,303
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>1,398,353</b>	<b>4,287,418</b>	<b>13,425,182</b>	<b>5,108,199</b>	<b>1,315,594</b>	<b>1,585,064</b>	<b>369,727</b>	<b>334,022</b>
<b>Total</b>	<b>-</b>	<b>1,430,253</b>	<b>4,298,618</b>	<b>13,496,236</b>	<b>5,321,877</b>	<b>1,548,199</b>	<b>1,852,695</b>	<b>412,193</b>	<b>389,011</b>

As of December 31, 2022	Notional amount of contracts with final maturity							Fair value	
	On-demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Assets	Liabilities
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Fair value hedge derivatives</b>									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	-	256,929	302,104	143,632	45,460	119,631	34,266	-
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>256,929</b>	<b>302,104</b>	<b>143,632</b>	<b>45,460</b>	<b>119,631</b>	<b>34,266</b>	<b>-</b>
<b>Cash flow hedge derivatives</b>									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	457,085	1,579	38,960	57,994	19,555	57,400	-	53,609
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>457,085</b>	<b>1,579</b>	<b>38,960</b>	<b>57,994</b>	<b>19,555</b>	<b>57,400</b>	<b>-</b>	<b>53,609</b>
<b>Total</b>	<b>-</b>	<b>457,085</b>	<b>258,508</b>	<b>341,064</b>	<b>201,626</b>	<b>65,015</b>	<b>177,031</b>	<b>34,266</b>	<b>53,609</b>
<b>Derivatives held-for-trading</b>									
Forwards	-	1,132,103	823,626	813,065	456,220	33,145	-	77,852	86,550
Swaps	-	367,730	1,636,726	4,107,630	3,933,164	1,824,065	1,810,182	431,733	386,182
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>1,499,833</b>	<b>2,460,352</b>	<b>4,920,694</b>	<b>4,389,384</b>	<b>1,857,210</b>	<b>1,810,182</b>	<b>509,585</b>	<b>472,732</b>
<b>Total</b>	<b>-</b>	<b>1,956,918</b>	<b>2,718,860</b>	<b>5,261,758</b>	<b>4,591,010</b>	<b>1,922,225</b>	<b>1,987,213</b>	<b>543,851</b>	<b>526,341</b>

**NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGE ACCOUNTING,  
CONTINUED**

The following is a detail of the hedged items and hedging instruments under fair value hedges and cash flow hedges, effective as of December 31, 2023 and 2022, separated by maturity:

	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>As of December 31, 2023</b>								
<b>Hedged item fair value</b>								
Renewal of bonds portfolio in Chilean pesos	-	-	-	-	-	-	-	-
Renewal of bonds portfolio in UF	-	-	-	-	89,358	-	-	89,358
Renewal of Bonds issued by Bank	-	-	-	25,000	124,320	16,290	-	165,610
Renewal of portfolio -Term deposits	-	31,900	11,200	38,059	-	-	-	81,159
Renewal of loan portfolio in Chilean pesos	-	-	-	-	-	-	12,778	12,778
Renewal of loan portfolio in UF	-	-	-	-	-	-	219,353	219,353
<b>Total</b>	<b>-</b>	<b>31,900</b>	<b>11,200</b>	<b>63,059</b>	<b>213,678</b>	<b>16,290</b>	<b>232,131</b>	<b>568,258</b>
<b>Hedged item Cash flows</b>								
Renewal of UF loan portfolio	-	-	-	-	-	-	-	-
Renewal of UF loan portfolio	-	-	-	-	-	-	-	-
Renewal of USD loan portfolio	-	-	-	7,995	-	83,615	-	91,610
Renewal of loan portfolio- Term deposits	-	-	-	-	-	-	-	-
Renewal of repricing portfolio	-	-	-	-	-	132,700	35,500	168,200
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,995</b>	<b>-</b>	<b>216,315</b>	<b>35,500</b>	<b>259,810</b>
<b>Hedging instrument</b>								
Interest rate swap	-	31,900	11,200	63,059	213,678	16,290	232,131	568,258
<b>Total</b>	<b>-</b>	<b>31,900</b>	<b>11,200</b>	<b>63,059</b>	<b>213,678</b>	<b>16,290</b>	<b>232,131</b>	<b>568,258</b>
<b>Hedging instrument</b>								
Currency swap	-	-	-	7,995	-	216,315	35,500	259,810
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,995</b>	<b>-</b>	<b>216,315</b>	<b>35,500</b>	<b>259,810</b>
<b>As of December 31, 2022</b>								
	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Hedged item fair value</b>								
Renewal of bonds portfolio in Chilean pesos	-	-	-	-	-	-	-	-
Renewal of bonds portfolio in UF	-	-	117,596	-	50,602	45,460	-	213,658
Renewal of Bonds issued by Bank	-	-	26,333	-	-	-	119,631	145,964
Renewal of portfolio -Term deposits	-	-	113,000	302,104	93,030	-	-	508,134
Renewal of loan portfolio in Chilean pesos	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>256,929</b>	<b>302,104</b>	<b>143,632</b>	<b>45,460</b>	<b>119,631</b>	<b>867,756</b>
<b>Hedged item Cash flows</b>								
Renewal of UF loan portfolio	-	447,665	-	-	-	-	-	447,665
Renewal of UF loan portfolio	-	9,420	1,579	5,869	56,178	17,555	-	90,601
Renewal of USD loan portfolio	-	-	-	33,091	1,816	-	-	34,907
Renewal of loan portfolio- Term deposits	-	-	-	-	-	-	-	-
Renewal of repricing portfolio	-	-	-	-	-	2,000	57,400	59,400
<b>Total</b>	<b>-</b>	<b>457,085</b>	<b>1,579</b>	<b>38,960</b>	<b>57,994</b>	<b>19,555</b>	<b>57,400</b>	<b>632,573</b>
<b>Hedging instrument</b>								
Interest rate swap	-	-	256,929	302,104	143,632	45,460	119,631	867,756
<b>Total</b>	<b>-</b>	<b>-</b>	<b>256,929</b>	<b>302,104</b>	<b>143,632</b>	<b>45,460</b>	<b>119,631</b>	<b>867,756</b>
<b>Hedging instrument</b>								
Currency swap	-	457,085	1,579	38,960	57,994	19,555	57,400	632,573
<b>Total</b>	<b>-</b>	<b>457,085</b>	<b>1,579</b>	<b>38,960</b>	<b>57,994</b>	<b>19,555</b>	<b>57,400</b>	<b>632,573</b>

**NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGE ACCOUNTING,  
CONTINUED**

The following table presents the nominal amounts of the hedged item and hedging instruments at December 31, 2023 and 2022, and the period in which the cash flows will occur:

Hedged item fair value As of December 31, 2023	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Hedged item</b>								
<b>Financial debt instruments</b>								
Sovereign bond Chile	-	-	-	-	-	-	-	-
Mortgage notes	-	-	-	-	-	-	-	-
US Treasury bonds	-	-	-	-	-	-	-	-
Bonds issued by the Chilean Treasury	-	-	-	-	85,681	-	-	85,681
Bonds issued by Bank	-	-	-	25,000	3,677	16,290	-	44,967
<b>Deposits and other term deposits</b>								
Term deposits	-	31,900	11,200	38,059	-	-	-	81,159
<b>Debt securities issued</b>								
Senior or current bonds	-	-	-	-	-	-	-	-
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
<b>Bank borrowings</b>								
Interbank loans	-	-	-	-	-	-	-	-
Central Bank of Chile loans	-	-	-	-	124,320	-	-	124,320
<b>Loans</b>	-	-	-	-	-	-	232,131	232,131
<b>Macro Hedges</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>31,900</b>	<b>11,200</b>	<b>63,059</b>	<b>213,678</b>	<b>16,290</b>	<b>232,131</b>	<b>568,258</b>
<b>Hedging instrument</b>								
Currency swaps	-	-	-	-	213,678	16,290	219,353	449,321
Interest rate swaps	-	31,900	11,200	63,059	-	-	12,778	118,937
<b>Total</b>	<b>-</b>	<b>31,900</b>	<b>11,200</b>	<b>63,059</b>	<b>213,678</b>	<b>16,290</b>	<b>232,131</b>	<b>568,258</b>
<b>Hedged item fair value As of December 31, 2022</b>								
	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Hedged item</b>								
<b>Financial debt instruments</b>								
Sovereign bond Chile	-	-	-	-	-	-	-	-
Mortgage notes	-	-	-	-	-	-	-	-
US Treasury bonds	-	-	-	-	-	-	-	-
Bonds issued by the Chilean Treasury	-	-	26,333	-	-	10,533	-	36,867
Bonds issued by Bank	-	-	-	-	-	-	-	-
<b>Deposits and other term deposits</b>								
Term deposits	-	-	113,000	302,104	82,030	-	-	497,134
<b>Debt securities issued</b>								
Senior or current bonds	-	-	117,596	-	47,446	22,142	-	187,184
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
<b>Bank borrowings</b>								
Interbank loans	-	-	-	-	-	-	-	-
Borrowings from Central Bank of Chile	-	-	-	-	-	-	-	-
<b>Loans</b>	-	-	-	-	14,156	12,784	119,631	146,571
<b>Total</b>	<b>-</b>	<b>-</b>	<b>256,929</b>	<b>302,104</b>	<b>143,632</b>	<b>45,460</b>	<b>119,631</b>	<b>867,755</b>
<b>Hedging instrument</b>								
Currency swaps	-	-	143,929	57,915	50,602	45,460	119,631	417,536
Interest rate swaps	-	-	113,000	244,189	93,030	-	-	450,219
<b>Total</b>	<b>-</b>	<b>-</b>	<b>256,929</b>	<b>302,104</b>	<b>143,632</b>	<b>45,460</b>	<b>119,631</b>	<b>867,755</b>

**NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGE ACCOUNTING,  
CONTINUED**

Cash Flow Hedges

As of December 31, 2023	Notional amount							Total MCh\$
	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	
<b>Hedged item</b>	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>	
<b>Loans and advances to customers</b>								
Mortgage loan	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-
<b>Debt instruments</b>								
Sovereign bond Chile	-	-	-	-	-	-	-	-
Bonds issued by the Central Bank of Chile	-	-	-	-	-	-	-	-
Bonds issued by the Chilean Treasury	-	-	-	-	-	-	-	-
<b>Term and other on-demand deposits</b>								
Term deposits	-	-	-	7,995	-	132,700	35,500	176,195
<b>Debt securities issued</b>								
Senior or current bonds (variable rate)	-	-	-	-	-	-	-	-
Senior or current bonds (fix rate)	-	-	-	-	-	-	-	-
<b>Bank borrowings</b>								
Interbank loans	-	-	-	-	-	-	-	-
Loans with foreign banks	-	-	-	-	-	83,615	-	83,615
<b>Mismatch CLF C40</b>								
Mismatch CLF C40	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,995</b>	<b>-</b>	<b>216,315</b>	<b>35,500</b>	<b>259,810</b>
<b>Hedging instrument</b>								
Currency and interest rate swaps	-	-	-	7,995	-	216,315	35,500	259,810
Currency forwards	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,995</b>	<b>-</b>	<b>216,315</b>	<b>35,500</b>	<b>259,810</b>

**Cash Flow Hedges**
**As of December 31, 2022**

	Notional amount							Total MCh\$
	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	
Hedged item	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
<b>Loans and advances to customers</b>								
Mortgage loan	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-
<b>Debt instruments</b>								
Sovereign bond Chile	-	-	-	-	-	-	-	-
Bonds issued by the Central Bank of Chile	-	-	-	-	-	-	-	-
Bonds issued by the Chilean Treasury	-	-	-	-	-	-	-	-
<b>Term and other on-demand deposits</b>								
Term deposits	-	9,420	1,579	38,960	1,816	2,000	57,400	111,175
<b>Debt securities issued</b>								
Senior or current bonds (variable rate)	-	-	-	-	-	-	-	-
Senior or current bonds (fix rate)	-	-	-	-	-	-	-	-
<b>Bank borrowings</b>								
Interbank loans	-	-	-	-	-	-	-	-
Loans with foreign banks	-	-	-	-	-	-	-	-
<b>Mismatch CLF C40</b>								
Mismatch CLF C40	-	447,665	-	-	56,178	17,555	-	521,398
<b>Total</b>	<b>-</b>	<b>457,085</b>	<b>1,579</b>	<b>38,960</b>	<b>57,994</b>	<b>19,555</b>	<b>57,400</b>	<b>632,573</b>
<b>Hedging instrument</b>								
Currency and interest rate swaps	-	457,085	1,579	38,960	57,994	19,555	57,400	632,573
Currency forwards	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>457,085</b>	<b>1,579</b>	<b>38,960</b>	<b>57,994</b>	<b>19,555</b>	<b>57,400</b>	<b>632,573</b>



**NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGE ACCOUNTING,  
CONTINUED**

The following is an estimate of the fiscal years in which the cash flows are expected to occur:

As of December 31, 2023

**b.1) Cash flow projection for interest rate risk:**

	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total MCh\$
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Hedged item</b>								
Cash inflows	-	215,836	3,084	61,528	175,675	254,227	224,883	935,233
Cash outflows	-	(560,604)	(12,154)	(262,329)	1,942	-	275	(832,870)
<b>Net cash flows</b>	<b>-</b>	<b>(344,768)</b>	<b>(9,070)</b>	<b>(200,801)</b>	<b>177,617</b>	<b>254,227</b>	<b>225,158</b>	<b>102,363</b>
<b>Hedging instrument</b>								
Cash inflows	-	560,605	12,282	-	-	-	-	835,216
Cash outflows	-	(215,836)	(3,084)	-	(177,703)	-	(263,430)	(975,809)
<b>Net cash flows</b>	<b>-</b>	<b>344,769</b>	<b>9,198</b>	<b>-</b>	<b>(177,703)</b>	<b>-</b>	<b>(263,430)</b>	<b>(140,593)</b>

**b.2) Cash flow projection for inflation risk:**

	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total MCh\$
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Hedged item</b>								
Cash inflows	-	868	2,976	9,785	116,948	40,816	169,279	340,671
Cash outflows	-	-	-	-	-	-	-	-
<b>Net cash flows</b>	<b>-</b>	<b>868</b>	<b>2,976</b>	<b>9,785</b>	<b>116,948</b>	<b>40,816</b>	<b>169,279</b>	<b>340,671</b>
<b>Hedging instrument</b>								
Cash inflows	-	-	-	-	-	-	-	-
Cash outflows	-	(868)	(2,976)	(9,785)	(116,948)	(40,816)	(207,826)	(379,218)
<b>Net cash flows</b>	<b>-</b>	<b>(868)</b>	<b>(2,976)</b>	<b>(9,785)</b>	<b>(116,948)</b>	<b>(40,816)</b>	<b>(207,826)</b>	<b>(379,218)</b>

As of December 31, 2022

**b.1) Cash flow projection for interest rate risk:**

	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total MCh\$
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Hedged item</b>								
Cash inflows	-	1,175,465	29,038	49,911	92,307	61,888	184,201	1,592,810
Cash outflows	-	(681,002)	(251,112)	(371,172)	(200,303)	(40,840)	-	(1,544,429)
<b>Net cash flows</b>	<b>-</b>	<b>494,463</b>	<b>(222,074)</b>	<b>(321,261)</b>	<b>(107,996)</b>	<b>21,048</b>	<b>184,201</b>	<b>48,381</b>
<b>Hedging instrument</b>								
Cash inflows	-	681,002	252,499	372,786	200,613	40,840	-	1,547,740
Cash outflows	-	(1,175,465)	(29,038)	(49,911)	(92,307)	(61,888)	(184,201)	(1,592,810)
<b>Net cash flows</b>	<b>-</b>	<b>(494,463)</b>	<b>223,461</b>	<b>322,875</b>	<b>108,306</b>	<b>(21,048)</b>	<b>(184,201)</b>	<b>(45,070)</b>

**b.2) Cash flow projection for inflation risk:**

	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total MCh\$
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Hedged item</b>								
Cash inflows	-	447,871	27,289	4,465	81,745	52,901	97,478	711,749
Cash outflows	-	(10,670)	(129,130)	(68,975)	(39,961)	(25,771)	-	(274,507)
<b>Net cash flows</b>	<b>-</b>	<b>437,201</b>	<b>(101,841)</b>	<b>(64,510)</b>	<b>41,784</b>	<b>27,130</b>	<b>97,478</b>	<b>437,242</b>
<b>Hedging instrument</b>								
Cash inflows	-	10,670	129,130	68,975	39,961	25,771	-	274,507
Cash outflows	-	(447,871)	(27,365)	(4,465)	(84,329)	(54,158)	(114,013)	(732,201)
<b>Net cash flows</b>	<b>-</b>	<b>(437,201)</b>	<b>101,765</b>	<b>64,510</b>	<b>(44,368)</b>	<b>(28,387)</b>	<b>(114,013)</b>	<b>(457,694)</b>

**NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGE ACCOUNTING,  
CONTINUED**

The change in valuations generated by those hedging instruments (derivatives) used in cash flow hedges was recorded in the Consolidated Statements of Changes in Equity, specifically under “Movement of the fair value of financial instruments measured at FVTOCI.” As of December 31, 2023 and 2022, the amounts and to which hedged item they pertain are as follows:

<b>Hedged item</b>	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
Bank borrowings	7,381	10,540
Debt securities issued	-	-
Held-for-sale securities	-	-
Loans and advances to customers	-	-
Mismatch CLF C40	-	(714)
<b>Total</b>	<b>7,381</b>	<b>9,826</b>

The gains/losses generated by those cash flow derivatives whose effect was transferred from other comprehensive income to profit or loss for the year is as follows. We consider the hedges to be 100% effective.

	<b>As of December 31, 2023</b>		<b>As of December 31, 2022</b>	
	<b>Assets MCh\$</b>	<b>Liability MCh\$</b>	<b>Assets MCh\$</b>	<b>Liability MCh\$</b>
<b>Hedged item cash flows</b>				
Gain on financial derivative contracts for hedge accounting	2,813	4,296	7,112	3,859
Loss on financial derivative contracts for hedge accounting	(3,650)	(2,313)	(790)	(213)
Gain (loss) on adjustment of hedged financial assets	950	8,538	269	5,093
<b>Hedged item fair value</b>				
Gain on financial derivative contracts for hedge accounting	1,599	4,453	748	5,363
Loss on financial derivative contracts for hedge accounting	(6,625)	(1,391)	(1,641)	(4,383)
Gain (loss) on adjustment of hedged financial assets	999	(14,106)	536	(1,736)
<b>Gain (loss) from hedges</b>	<b>(3,914)</b>	<b>(523)</b>	<b>6,234</b>	<b>7,981</b>

**NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGE ACCOUNTING,  
CONTINUED**

**As of December 31, 2023**

	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument	
		Assets	Liabilities
	MCh\$	MCh\$	MCh\$
Fair value hedge:			
Interest rate risk	118,937	20	(1,301)
Cross-currency	449,321	-	(10,708)
Currency risk	-	-	-
<b>Subtotal fair value hedge</b>	<b>568,258</b>	<b>20</b>	<b>(12,009)</b>
Cash flow hedge:			
Interest rate risk	168,200	133	(1,955)
Cross-currency	91,610	-	(3,143)
Currency risk	-	-	-
<b>Subtotal cash flow hedge</b>	<b>259,810</b>	<b>133</b>	<b>(5,098)</b>
<b>Total hedging derivatives</b>	<b>828,068</b>	<b>153</b>	<b>(17,107)</b>

**As of December 31, 2022**

	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument	
		Assets	Liabilities
	MCh\$	MCh\$	MCh\$
Fair value hedge:			
Interest rate risk	450,219	990	(5,350)
Cross-currency	417,536	4,940	(4,648)
Currency risk	-	-	-
<b>Subtotal fair value hedge</b>	<b>867,755</b>	<b>5,930</b>	<b>(9,998)</b>
Cash flow hedge:			
Interest rate risk	59,400	2,894	-
Cross-currency	573,172	1,331	(32,506)
Currency risk	-	-	-
<b>Subtotal cash flow hedge</b>	<b>632,572</b>	<b>4,225</b>	<b>(32,506)</b>
<b>Total hedging derivatives</b>	<b>1,500,327</b>	<b>10,155</b>	<b>(42,504)</b>

As of December 31, 2023 and 2022, the assessment deemed the hedges to be effective. Both the hedged item and the hedging instrument are mirrors of each other, which implies that all variations in value attributable to rate and inflation components are offset.

## NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST

### 1) Loans and advances to customers

As of December 31, 2023 and 2022, the composition of the portfolio of loans and advances to customers is as follows:

As of December 31, 2023 (in MCh\$)	LOANS AND ADVANCES TO CUSTOMERS											Total				
	Financial assets before provisions					Total	Normal portfolio		Substandard portfolio		Provisions made		Subtotal	Deductible FOGAPE guarantees Covid-19 (i)	Total	Net financial asset
	Normal portfolio Assessment		Substandard portfolio Assessment		Default portfolio Assessment		Normal portfolio Assessment		Substandard portfolio Assessment		Default portfolio Assessment					
Individual	Collective	Individual	Individual	Collective	Individual	Collective	Individual	Collective	Individual	Individual	Collective	Individual	Collective			
<b>Commercial loans</b>																
Commercial loans	1,945,676	-	313,369	142,955	-	2,401,993	13,479	-	6,904	25,219	-	45,602	-	1,077	46,679	2,355,314
Foreign trade loans for domestic exports	41,414	-	4,044	1,181	-	46,639	1,210	-	21	67	-	1,298	-	-	1,298	45,341
Foreign trade loans for domestic imports	52,573	-	665	94	-	53,332	1,825	-	85	69	-	1,979	-	-	1,979	51,353
Foreign trade loans between other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective default to Collective normal	17,220	-	3,639	318	-	21,186	667	-	354	83	-	1,104	-	1,104	20,082	
Receivables from credit cards	1,805	-	424	66	-	2,295	111	-	74	35	-	220	-	220	2,075	
Collective (normal, default) to Individual (normal, collective)	23,150	-	362	428	-	23,940	980	-	70	385	-	1,435	-	1,435	22,505	
Commercial financial leasing transactions	147,259	-	47,030	7,740	-	202,029	171	-	94	508	-	773	-	773	201,256	
Student loans	-	253,237	-	-	20,184	273,421	-	5,248	-	-	1,535	6,783	-	-	6,783	266,638
Other loans and advances	4	-	112	875	-	991	-	-	16	330	-	346	-	-	346	645
<b>Subtotal</b>	<b>2,229,101</b>	<b>253,237</b>	<b>369,645</b>	<b>153,657</b>	<b>20,184</b>	<b>3,025,824</b>	<b>18,443</b>	<b>5,248</b>	<b>7,618</b>	<b>26,696</b>	<b>1,535</b>	<b>59,540</b>	<b>1,077</b>	<b>60,617</b>	<b>2,965,207</b>	
<b>Mortgage loans</b>																
Loans with letter of credit	-	6,493	-	-	471	6,964	-	7	-	-	-	10	17	-	17	6,947
Endorsable mortgage loans	-	7,082	-	-	675	7,757	-	7	-	-	-	19	26	-	26	7,731
Bond funded mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans containing mortgage loans	-	84,722	-	-	565	85,287	-	160	-	-	-	16	176	-	176	85,111
Mortgage financial leasing transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>98,297</b>	<b>-</b>	<b>-</b>	<b>1,711</b>	<b>100,008</b>	<b>-</b>	<b>174</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>220</b>	<b>-</b>	<b>220</b>	<b>99,788</b>	
<b>Consumer loans</b>																
Consumer loans in installments	-	224,954	-	-	884	225,838	-	6,056	-	-	3,219	9,275	-	9,275	216,563	
Receivables in current accounts	-	1,307	-	-	25	1,332	-	89	-	-	9	98	-	98	1,234	
Receivables from credit cards	-	3,064	-	-	19	3,083	-	164	-	-	6	170	-	170	2,913	
Consumer financial leasing transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>229,325</b>	<b>-</b>	<b>-</b>	<b>928</b>	<b>230,253</b>	<b>-</b>	<b>6,309</b>	<b>-</b>	<b>-</b>	<b>3,234</b>	<b>9,544</b>	<b>-</b>	<b>9,544</b>	<b>220,709</b>	
<b>TOTAL</b>	<b>2,229,101</b>	<b>580,859</b>	<b>369,645</b>	<b>153,657</b>	<b>22,823</b>	<b>3,356,085</b>	<b>18,443</b>	<b>11,731</b>	<b>7,618</b>	<b>26,696</b>	<b>4,814</b>	<b>69,304</b>	<b>1,077</b>	<b>70,381</b>	<b>3,451,133</b>	

LOANS AND ADVANCES TO CUSTOMERS

Collective default to Collective normal As of December 31, 2022 Collective (normal, default) to Individual (normal, Commercial loans Commercial loans Foreign trade loans for domestic exports Foreign trade loans for domestic imports Foreign trade loans between other countries Receivables in current accounts Receivables from credit cards Factoring transactions Commercial financial leasing transactions Student loans Other loans and advances Subtotal	Normal portfolio		Financial assets before provisions			Total	Normal portfolio		Substandard portfolio	Provisions made			Subtotal	Deductible FOGAPE guarantees Covid-19 (i)	Total	Net financial asset
	Assessment		Substandard portfolio	Default portfolio			Assessment			Default portfolio						
	Individual	Collective		Assessment Individual	Individual	Assessment Collective	Individual	Assessment Collective	Assessment Individual	Individual	Assessment Collective					
	Individual	Collective	Assessment Individual	Individual	Assessment Collective	Individual	Assessment Collective	Assessment Individual	Individual	Assessment Collective						
Commercial loans	1,626,659	-	244,636	119,913	-	1,991,208	10,127	-	10,682	15,330	-	36,139	1,944	38,083	1,953,125	
Foreign trade loans for domestic exports	34,124	-	354	175	-	34,653	668	-	-	114	-	782	-	782	33,871	
Foreign trade loans for domestic imports	71,958	-	380	849	-	73,187	2,316	-	13	24	-	2,353	-	2,353	70,834	
Foreign trade loans between other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables in current accounts	12,179	-	3,106	542	-	15,827	482	-	432	56	-	970	-	970	14,857	
Receivables from credit cards	1,378	-	298	20	-	1,696	79	-	39	14	-	132	-	132	1,564	
Factoring transactions	31,390	-	489	494	-	32,373	1,394	-	93	321	-	1,808	-	1,808	30,565	
Commercial financial leasing transactions	142,101	-	46,637	4,592	-	193,330	179	-	146	213	-	538	-	538	192,792	
Student loans	-	234,848	-	-	12,097	246,945	-	4,884	-	-	962	5,846	-	5,846	241,099	
Other loans and advances	3	-	4	939	-	946	-	-	-	111	-	111	-	111	835	
<b>Subtotal</b>	<b>1,919,792</b>	<b>234,848</b>	<b>295,904</b>	<b>127,524</b>	<b>12,097</b>	<b>2,590,165</b>	<b>15,245</b>	<b>4,884</b>	<b>11,405</b>	<b>16,183</b>	<b>962</b>	<b>48,679</b>	<b>1,944</b>	<b>50,623</b>	<b>2,539,542</b>	
<b>Mortgage loans</b>																
Loans with letter of credit	-	7,405	-	-	366	7,771	-	10	-	-	11	21	-	21	7,750	
Endorsable mortgage loans	-	7,172	-	-	729	7,901	-	5	-	-	20	25	-	25	7,876	
Bond funded mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans containing mortgage loans	-	54,978	-	-	148	55,126	-	76	-	-	4	80	-	80	55,046	
Mortgage financial leasing transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>69,555</b>	<b>-</b>	<b>-</b>	<b>1,243</b>	<b>70,798</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>126</b>	<b>-</b>	<b>126</b>	<b>70,672</b>	
<b>Consumer loans</b>																
Consumer loans in installments	-	21,187	-	-	283	21,470	-	890	-	-	105	995	-	995	20,475	
Receivables in current accounts	-	1,217	-	-	13	1,230	-	84	-	-	5	89	-	89	1,141	
Receivables from credit cards	-	1,620	-	-	6	1,626	-	87	-	-	2	89	-	89	1,537	
Consumer financial leasing transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>-</b>	<b>24,024</b>	<b>-</b>	<b>-</b>	<b>302</b>	<b>24,326</b>	<b>-</b>	<b>1,061</b>	<b>-</b>	<b>-</b>	<b>112</b>	<b>1,173</b>	<b>-</b>	<b>1,173</b>	<b>23,153</b>	
<b>TOTAL</b>	<b>1,919,792</b>	<b>328,427</b>	<b>295,904</b>	<b>127,524</b>	<b>13,642</b>	<b>2,685,289</b>	<b>15,245</b>	<b>6,036</b>	<b>11,405</b>	<b>16,183</b>	<b>1,109</b>	<b>49,978</b>	<b>1,944</b>	<b>51,922</b>	<b>2,633,367</b>	

## NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED

### 2) Exposure to credit risk from contingent loans

As of December 31, 2023 and 2022, the composition and exposure of the portfolio is as follows:

EXPOSURE TO CREDIT RISK FOR CONTINGENT LOANS As of December 31, 2023 MCh\$	Exposure for contingent loans before provisions					Total	Provisions made					Total	Net exposure for credit risk of contingent loans		
	Normal portfolio Assessment		Substandard portfolio Assessment		Default portfolio Assessment		Normal portfolio Assessment		Substandard portfolio Assessment		Default portfolio Assessment				
	Individual	Collective	Individual	Individual	Collective		Individual	Collective	Individual	Individual	Collective			Individual	Collective
Guarantor over the collateral	6,010	-	-	-	-	6,010	232	-	-	-	-	-	232	5,778	
Letters of credit for goods movement transactions	5,809	-	-	-	-	5,809	39	-	-	-	-	-	39	5,770	
Commitments to purchase local currency debt abroad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transactions related to contingent events	59,754	-	1,305	438	-	61,497	826	-	22	168	-	1,016	60,481		
Undrawn revolving credit facilities with immediate cancellation	72,831	20,548	4,456	207	66	98,108	305	31	48	76	24	484	97,624		
Undrawn revolving credit facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans for higher education studies Law No. 20.027 (CAE)	-	74,105	-	-	-	74,105	-	236	-	-	-	236	73,869		
Other irrevocable loan commitments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other contingent loans	29,816	-	-	-	-	29,816	-	-	-	-	-	-	-	29,816	
Collective default to Collective normal															

Collective (normal, default) to Individual (normal, substandard, default)

EXPOSURE TO CREDIT RISK FOR CONTINGENT LOANS As of December 31, 2022 MCh\$	Exposure for contingent loans before provisions					Total	Provisions made					Total	Net exposure for credit risk of contingent loans		
	Normal portfolio Assessment		Substandard portfolio Assessment		Default portfolio Assessment		Normal portfolio Assessment		Substandard portfolio Assessment		Default portfolio Assessment				
	Individual	Collective	Individual	Individual	Collective		Individual	Collective	Individual	Individual	Collective			Individual	Collective
Guarantor over the collateral	6,641	-	-	-	-	6,641	116	-	-	-	-	-	116	6,525	
Letters of credit for goods movement transactions	6,406	-	68	-	-	6,474	26	-	2	-	-	-	28	6,446	
Commitments to purchase local currency debt abroad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transactions related to contingent events	46,286	-	2,074	409	-	48,769	558	-	45	174	-	777	47,992		
Undrawn revolving credit facilities with immediate cancellation	62,337	15,132	4,864	142	53	82,528	233	21	56	69	18	397	82,131		
Undrawn revolving credit facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans for higher education studies Law No. 20.027 (CAE)	-	127,042	-	-	-	127,042	-	405	-	-	-	405	126,637		
Other irrevocable loan commitments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other contingent loans	36,619	-	-	-	-	36,619	-	-	-	-	-	-	-	36,619	

## NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED

### 3) Changes in provisions recorded by credit risk category in the year

#### Commercial loans

SUMMARY OF MOVEMENTS IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD As of December 31, 2023 MCh\$	Movement in provisions made by category during the period						Deductible FOGAPE guarantees	Total
	Normal portfolio Assessment		Substandard portfolio	Default portfolio Assessment		Subtotal		
	Individual	Collective		Individual	Collective			
<b>Commercial loans</b>								
As of January 1, 2023	<b>15,245</b>	<b>4,884</b>	<b>11,405</b>	<b>16,183</b>	<b>962</b>	<b>48,679</b>	<b>1,944</b>	<b>50,623</b>
Provisions made / (released) for:	<b>3,198</b>	<b>364</b>	<b>(3,787)</b>	<b>10,513</b>	<b>573</b>	<b>10,861</b>	<b>(867)</b>	<b>9,994</b>
Change in measurement without reclassification of category during the period:	(38)	40	(275)	6,730	-	6,457	-	6,457
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:	(477)	-	576	3,655	-	3,754	-	3,754
Individual normal to Substandard	(596)	-	1,880	-	-	1,284	-	1,284
Individual normal to Individual default	(121)	-	-	2,793	-	2,672	-	2,672
Substandard to Individual default	-	-	(118)	955	-	837	-	837
Substandard to Individual normal	240	-	(1,192)	-	-	(952)	-	(952)
Individual default to Substandard	-	-	6	(93)	-	(87)	-	(87)
Individual default to Individual Normal	-	-	-	-	-	-	-	-
Collective normal to Collective default	-	-	-	-	-	-	-	-
Collective default to Collective normal	-	-	-	-	-	-	-	-
Individual (normal, substandard, default) to Collective (normal, default)	-	-	-	-	-	-	-	-
Collective (normal, default) to Individual (normal, substandard, default)	-	-	-	-	-	-	-	-
New loans originated	12,856	1,421	4,657	4,282	1,291	24,508	-	24,508
New loans due to conversion from contingent to loan	179	96	4	-	-	279	-	279
New loans acquired	64	-	-	108	-	171	-	171
Sale or assignment of loans	-	-	-	-	-	-	-	-
Repayment of loans	(15,418)	(1,193)	(5,730)	(2,992)	(504)	(25,838)	-	(25,838)
Application of allowances for write-offs	(2)	-	(3,019)	(1,286)	(214)	(4,520)	-	(4,520)
Recovery of written off loans	6,006	-	-	-	-	6,006	-	6,006
Changes in models and methodologies	-	-	-	-	-	-	-	-
Foreign currency translation differences	28	-	-	16	-	44	-	44
Other changes in provisions (if applicable)	-	-	-	-	-	-	(867)	(867)
<b>Balance as of December 31, 2023</b>	<b>18,443</b>	<b>5,248</b>	<b>7,618</b>	<b>26,696</b>	<b>1,535</b>	<b>59,540</b>	<b>1,077</b>	<b>60,617</b>

SUMMARY OF MOVEMENTS IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD As of December 31, 2022 MCh\$	Movement in provisions made by category during the period						Deductible FOGAPE guarantees	Total
	Normal portfolio Assessment		Substandard portfolio	Default portfolio Assessment		Subtotal		
	Individual	Collective		Individual	Collective			
<b>Commercial loans</b>								
Balance as of December 31, 2022	<b>13,340</b>	<b>3,774</b>	<b>10,354</b>	<b>7,654</b>	<b>290</b>	<b>35,413</b>	<b>2,186</b>	<b>37,599</b>
Provisions made / (released) for:	<b>1,905</b>	<b>1,110</b>	<b>1,051</b>	<b>8,529</b>	<b>672</b>	<b>13,266</b>	<b>(242)</b>	<b>13,024</b>
Change in measurement without reclassification of category during the period:	86	(1)	(941)	7,580	-	6,723	-	6,723
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:	92	-	(1,544)	2,329	-	877	-	877
Individual normal to Substandard	(627)	-	925	-	-	298	-	298
Individual normal to Individual default	(14)	-	-	1,050	-	1,035	-	1,035
Substandard to Individual default	-	-	(459)	1,337	-	879	-	879
Substandard to Individual normal	733	-	(2,010)	-	-	(1,277)	-	(1,277)
Individual default to Substandard	-	-	-	(56)	-	(56)	-	(56)
Individual default to Individual Normal	-	-	-	(2)	-	(2)	-	(2)
Collective normal to Collective default	-	-	-	-	-	-	-	-
Collective default to Collective normal	-	-	-	-	-	-	-	-
Individual (normal, substandard, default) to Collective (normal, default)	-	-	-	-	-	-	-	-
Collective (normal, default) to Individual (normal, substandard, default)	-	-	-	-	-	-	-	-
New loans originated	9,802	1,587	6,119	2,198	739	20,445	-	20,445
New loans due to conversion from contingent to loan	134	227	33	-	-	394	-	394
New loans acquired	-	-	-	-	-	-	-	-
Sale or assignment of loans	-	-	-	-	-	-	-	-
Repayment of loans	(8,209)	(703)	(2,558)	(1,444)	(25)	(12,939)	-	(12,939)
Application of allowances for write-offs	(4)	-	(58)	(2,137)	(42)	(2,241)	-	(2,241)
Recovery of written off loans	-	-	-	-	-	-	-	-
Changes in models and methodologies	-	-	-	-	-	-	-	-
Foreign currency translation differences	4	-	-	3	-	7	-	7
Other changes in provisions (if applicable)	-	-	-	-	-	-	(242)	(242)
<b>As of December 31, 2022</b>	<b>15,245</b>	<b>4,884</b>	<b>11,405</b>	<b>16,183</b>	<b>962</b>	<b>48,679</b>	<b>1,944</b>	<b>50,623</b>



## NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED

### Mortgage loans

SUMMARY OF MOVEMENT IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD As of December 31, 2023 MCh\$	Movement in provisions made by category during the period		
	Collective assessment		Total
	Normal portfolio	Default portfolio	
<b>Mortgage loans</b>			
<b>Balance as of December 31, 2023</b>	<b>91</b>	<b>35</b>	<b>126</b>
<b>Provisions made / (released) for:</b>	<b>84</b>	<b>10</b>	<b>94</b>
Change in measurement without reclassification of category during the period:			
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:			
Collective normal to Collective default	(11)	(2)	(13)
Collective default to Collective normal	-	-	-
New loans originated	103	12	115
New loans acquired	-	-	-
Sale or assignment of loans	-	-	-
Repayment of loans	(375)	-	(375)
Application of allowances for write-offs	-	-	-
Recovery of written off loans	367	-	367
Changes in models and methodologies	-	-	-
Foreign currency translation differences	-	-	-
Other changes in provisions (if applicable)	-	-	-
<b>As of December 31, 2023</b>	<b>175</b>	<b>45</b>	<b>220</b>

SUMMARY OF MOVEMENT IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD As of December 31, 2022 MCh\$	Movement in provisions made by category during the period		
	Collective assessment		Total
	Normal portfolio	Default portfolio	
<b>Mortgage loans</b>			
<b>Balance as of January 1, 2022</b>	<b>73</b>	<b>55</b>	<b>128</b>
<b>Provisions made / (released) for:</b>	<b>18</b>	<b>(19)</b>	<b>(1)</b>
Change in measurement without reclassification of category during the period:			
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:			
Collective normal to Collective default	(17)	-	(17)
Collective default to Collective normal	-	-	-
New loans originated	42	10	52
New loans acquired	-	-	-
Sale or assignment of loans	-	-	-
Repayment of loans	(7)	(29)	(36)
Application of allowances for write-offs	-	-	-
Recovery of written off loans	-	-	-
Changes in models and methodologies	-	-	-
Foreign currency translation differences	-	-	-
Other changes in allowances (if applicable)	-	-	-
<b>Balance as of December 31, 2022</b>	<b>91</b>	<b>35</b>	<b>126</b>

## NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED

### Consumer loans

SUMMARY OF MOVEMENT IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD As of December 31, 2023 MCh\$	Movement in provisions made by category during the period		
	Collective assessment		Total
	Normal portfolio	Default portfolio	
<b>Consumer loans</b>			
<b>As of January 1, 2023</b>	<b>1,061</b>	<b>112</b>	<b>1,173</b>
<b>Provisions made / (released) for:</b>	<b>5,249</b>	<b>3,123</b>	<b>8,372</b>
Change in measurement without reclassification of category during the period:	65	-	65
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:	-	-	-
Collective normal to Collective default	-	-	-
Collective default to Collective normal	-	-	-
New loans originated	1,258	175	1,433
New loans due to conversion from contingent to loan	6	8	14
New loans acquired	1,915	1,655	3,570
Sale or assignment of loans	-	-	-
Repayment of loans	1,586	1,350	2,936
Application of allowances for write-offs	(70)	(65)	(135)
Recovery of written off loans	489	-	489
Changes in models and methodologies	-	-	-
Foreign currency translation differences	-	-	-
Other changes in allowances (if applicable)	-	-	-
<b>Balance as of December 31, 2023</b>	<b>6,310</b>	<b>3,235</b>	<b>9,544</b>

SUMMARY OF MOVEMENT IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD As of December 31, 2022 MCh\$	Movement in provisions made by category during the period		
	Collective assessment		Total
	Normal portfolio	Default portfolio	
<b>Consumer loans</b>			
<b>As of December 31, 2022</b>	<b>546</b>	<b>134</b>	<b>680</b>
<b>Provisions made / (released) for:</b>	<b>515</b>	<b>(22)</b>	<b>493</b>
Change in measurement without reclassification of category during the period:	67	-	67
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:	-	-	-
Collective normal to Collective default	-	-	-
Collective default to Collective normal	-	-	-
New loans originated	656	64	720
New loans due to conversion from contingent to loan	5	2	7
New loans acquired	-	-	-
Sale or assignment of loans	-	-	-
Repayment of loans	(190)	(15)	(205)
Application of allowances for write-offs	(23)	(73)	(96)
Recovery of written off loans	-	-	-
Changes in models and methodologies	-	-	-
Foreign currency translation differences	-	-	-
Other changes in allowances (if applicable)	-	-	-
<b>Balance as of December 31, 2022</b>	<b>1,061</b>	<b>112</b>	<b>1,173</b>

## NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED

### Contingent loans

<b>SUMMARY OF MOVEMENT IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD</b>  As of December 31, 2023 MCh\$	Movement in provisions made by category during the period					Total
	Normal portfolio		Substandard portfolio	Default portfolio		
	Assessment			Assessment		
	Individual	Collective	Individual	Collective		
<b>Exposure for contingent loans</b>						
<b>As of January 1, 2023</b>	<b>933</b>	<b>426</b>	<b>103</b>	<b>243</b>	<b>18</b>	<b>1,723</b>
<b>Provisions made / (released) for:</b>	<b>469</b>	<b>(159)</b>	<b>(33)</b>	<b>1</b>	<b>6</b>	<b>284</b>
Change in measurement without reclassification of category during the period:	228	11	(7)	43	-	275
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:						
Individual normal to Substandard	(10)	-	(5)	98	-	83
Individual normal to Individual default	(23)	-	30	-	-	7
Substandard to Individual default	(1)	-	-	71	-	70
Substandard to Individual normal	-	-	(2)	27	-	25
Substandard to Individual normal	14	-	(33)	-	-	(19)
Individual default to Substandard	-	-	-	-	-	-
Individual default to Individual Normal	-	-	-	-	-	-
Collective normal to Collective default	-	-	-	-	-	-
Collective default to Collective normal	-	-	-	-	-	-
Individual (normal, substandard, default) to Collective (normal, default)	-	-	-	-	-	-
Collective (normal, default) to Individual (normal, substandard, default)	-	-	-	-	-	-
New contingent loans granted	634	119	21	6	16	796
Contingent loans for conversion to loans	(25)	3	(1)	-	(8)	(31)
Changes in models and methodologies	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	-	-
Other changes in allowances (if applicable)	-	-	-	-	-	-
<b>As of December 31, 2023</b>	<b>(358)</b>	<b>(292)</b>	<b>(41)</b>	<b>(146)</b>	<b>(2)</b>	<b>(839)</b>
	<b>1,402</b>	<b>267</b>	<b>70</b>	<b>244</b>	<b>24</b>	<b>2,007</b>

<b>SUMMARY OF MOVEMENT IN PROVISIONS MADE BY CREDIT RISK CATEGORY DURING THE PERIOD</b>  As of December 31, 2022 MCh\$	Movement in provisions made by category during the period					Total
	Normal portfolio		Substandard portfolio	Default portfolio		
	Assessment			Assessment		
	Individual	Collective	Individual	Collective		
<b>Exposure for contingent loans</b>						
<b>As of January 1, 2022</b>	<b>1,161</b>	<b>573</b>	<b>645</b>	<b>123</b>	<b>23</b>	<b>2,525</b>
<b>Provisions made / (released) for:</b>	<b>(228)</b>	<b>(147)</b>	<b>(542)</b>	<b>120</b>	<b>(5)</b>	<b>(802)</b>
Change in measurement without reclassification of category during the period:	7	(7)	(12)	4	-	(8)
Change in measurement by reclassification of category from the beginning to the end of the period [category from (-) to (+)]:						
Individual normal to Substandard	(53)	-	23	78	-	48
Individual normal to Individual default	(56)	-	51	-	-	(5)
Substandard to Individual default	(2)	-	-	37	-	35
Substandard to Individual normal	-	-	(6)	41	-	35
Substandard to Individual normal	5	-	(22)	-	-	(17)
Individual default to Substandard	-	-	-	-	-	-
Individual default to Individual Normal	-	-	-	-	-	-
Collective normal to Collective default	-	-	-	-	-	-
Collective default to Collective normal	-	-	-	-	-	-
Individual (normal, substandard, default) to Collective (normal, default)	-	-	-	-	-	-
Collective (normal, default) to Individual (normal, substandard, default)	-	-	-	-	-	-
New contingent loans granted	470	243	39	81	6	839
Contingent loans for conversion to loans	(375)	(14)	(25)	(15)	(2)	(431)
Changes in models and methodologies	-	-	-	-	-	-
Foreign currency translation differences	169	-	2	-	-	171
Other changes in allowances (if applicable)	(446)	(369)	(569)	(28)	(9)	(1,421)
<b>Balance as of December 31, 2022</b>	<b>933</b>	<b>426</b>	<b>103</b>	<b>243</b>	<b>18</b>	<b>1,723</b>

## NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED

### 4) Concentration of credits by economic activity

As of December 31, 2023 and 2022, the composition of the economic activity for loans, exposure to contingent credits and established provisions, is as follows:

COMPOSITION OF ECONOMIC ACTIVITY FOR LOANS, EXPOSURE TO CONTINGENT LOANS AND PROVISIONS MADE	Loans and exposure to contingent loans			Provisions made		
	As of December 31, 2023			MCh\$		
	Loans and advances to banks			Loans		
	Loans		Total	Loans		Total
	In the country	Abroad		In the country	Abroad	
<b>Commercial loans</b>						
Real Estate Renters	619,902	-	619,902	3,139	-	3,139
Other services	469,065	-	469,065	15,158	-	15,158
Real Estate and Construction (Limit 1.5 times Effective Equity)	372,140	-	372,140	2,976	-	2,976
Investment Companies	388,030	-	388,030	8,922	-	8,922
Trade	269,876	-	269,876	10,440	-	10,440
Transport and Telecommunications	200,660	-	200,660	2,253	-	2,253
Industrial	93,894	-	93,894	2,001	-	2,001
Forestry and Livestock	82,139	-	82,139	1,681	-	1,681
Financial Services And Others	120,619	-	120,619	1,339	-	1,339
Other Construction and Real Estate that do not apply to the Limit	81,007	-	81,007	4,042	-	4,042
Fishing	20,868	-	20,868	177	-	177
Mining	8,651	-	8,651	126	-	126
Electricity, Gas And Water	25,624	-	25,624	503	-	503
Others	273,349	-	273,349	7,860	-	7,860
<b>Subtotal</b>	<b>3,025,824</b>	<b>-</b>	<b>3,025,824</b>	<b>60,617</b>	<b>-</b>	<b>60,617</b>
<b>Mortgage loans</b>	<b>100,008</b>	<b>-</b>	<b>100,008</b>	<b>220</b>	<b>-</b>	<b>220</b>
<b>Consumer loans</b>	<b>230,253</b>	<b>-</b>	<b>230,253</b>	<b>9,544</b>	<b>-</b>	<b>9,544</b>
<b>Exposure for contingent loans</b>	<b>275,345</b>	<b>-</b>	<b>275,345</b>	<b>2,007</b>	<b>-</b>	<b>2,007</b>

**NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED**

COMPOSITION OF ECONOMIC ACTIVITY FOR LOANS, EXPOSURE TO CONTINGENT LOANS AND PROVISIONS MADE As of December 31, 2022 MCh\$	Loans and exposure to contingent loans			Provisions made		
	Loans		Total	Loans		Total
	In the country	Abroad		In the country	Abroad	
<b>Loans and advances to banks</b>						
<b>Commercial loans</b>						
Real Estate Renters	534,448	-	534,448	3,983	-	3,983
Other services	428,293	-	428,293	11,213	-	11,213
Real Estate and Construction (Limit 1.5 times Effective Equity)	329,742	-	329,742	2,696	-	2,696
Investment Companies	28,171	-	28,171	10,883	-	10,883
Trade	251,082	-	251,082	7,084	-	7,084
Transport and Telecommunications	125,020	-	125,020	1,793	-	1,793
Industrial	115,356	-	115,356	2,481	-	2,481
Forestry and Livestock	68,864	-	68,864	768	-	768
Financial Services And Others	113,358	-	113,358	727	-	727
Other Construction and Real Estate that do not apply to the Limit	49,103	-	49,103	730	-	730
Fishing	20,678	-	20,678	76	-	76
Mining	852	-	852	6	-	6
Electricity, Gas And Water	21,525	-	21,525	376	-	376
Others	250,134	-	250,134	7,805	-	7,805
<b>Subtotal</b>	<b>2,590,165</b>	<b>-</b>	<b>2,590,165</b>	<b>50,623</b>	<b>-</b>	<b>50,623</b>
<b>Mortgage loans</b>	<b>70,799</b>	<b>-</b>	<b>70,799</b>	<b>127</b>	<b>-</b>	<b>127</b>
<b>Consumer loans</b>	<b>24,326</b>	<b>-</b>	<b>24,326</b>	<b>1,173</b>	<b>-</b>	<b>1,173</b>
<b>Exposure for contingent loans</b>	<b>305,301</b>	<b>-</b>	<b>305,301</b>	<b>1,722</b>	<b>-</b>	<b>1,722</b>

Note: In accordance with the commitments agreed by Inversiones la Construcción S.A. (controlling company) and the Financial Market Commission (CMF), as of December 31, 2023, the Bank had a maximum exposure limit in the “Construction and Real Estate” sector of less than or equal to 1.5 times the Bank’s effective equity. From January 1, 2024, such limit is 1.0 times the Bank’s effective equity.

**NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED**

**5) Mortgage loans and their provisions made by tranche of outstanding capital of the loan on the value of the mortgage guarantee (PVG) Present Value Guaranteed and days past due, respectively**

As of December 31, 2023

Loan tranche /

Guarantee value (%)

	Mortgage loans (MCh\$)						Provisions made of 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 a 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
PVG<=40%	50,559	744	114	28	156	51,601	127	3	1	1	3	135
40% < PVG <= 80%	40,770	1,540	657	306	713	43,986	21	11	11	9	22	74
80% < PVG <= 90%	3,350	94	-	-	40	3,484	5	1	-	-	1	7
PVG > 90%	937	-	-	-	-	937	4	-	-	-	-	4
<b>Total</b>	<b>95,616</b>	<b>2,378</b>	<b>771</b>	<b>334</b>	<b>909</b>	<b>100,008</b>	<b>157</b>	<b>15</b>	<b>12</b>	<b>10</b>	<b>26</b>	<b>220</b>

As of December 31, 2022

Loan tranche /

Guarantee value (%)

	Mortgage loans (MCh\$)						Provisions made of 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
PVG<=40%	20,011	203	99	11	85	20,409	40	7	2	-	1	50
40% < PVG <= 80%	43,786	759	661	101	675	45,982	25	7	9	3	21	65
80% < PVG <= 90%	3,235	92	-	-	134	3,461	8	-	-	-	3	11
PVG > 90%	946	-	-	-	-	946	-	-	-	-	-	-
<b>Total</b>	<b>67,978</b>	<b>1,054</b>	<b>760</b>	<b>112</b>	<b>894</b>	<b>70,798</b>	<b>73</b>	<b>14</b>	<b>11</b>	<b>3</b>	<b>25</b>	<b>126</b>



**NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST, CONTINUED**
**7) Loans and their provisions made by tranche of days past due**

CONCENTRATION OF THE CREDIT RISK BY DAYS PAST DUE As of December 31, 2023 MCh\$	Financial assets before provisions						Provisions made						Deductible FOGAPE guarantees Covid-19 (i)	Total (ii)	Net financial asset (iii)
	Normal portfolio		Substandard portfolio	default portfolio		Total	Normal portfolio		Substandard portfolio	default portfolio		Subtotal			
	Assessment		Assessment	Assessment			Assessment		Assessment	Assessment					
	Individual	Collective	Individual	Individual	Collective	Individual	Collective	Individual	Individual	Collective					
Loans and advances to banks															
0 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial loans															
0 days	2,197,828	238,381	309,888	55,062	360	<b>2,801,519</b>	17,831	4,647	5,752	14,509	38	42,777	1,077	43,854	2,757,665
1 to 29 days	30,315	3,913	33,233	16,283	95	<b>83,839</b>	608	111	751	4,874	9	6,353	-	6,353	77,486
30 to 59 days	958	8,539	18,933	4,173	104	<b>32,707</b>	4	363	36	192	11	606	-	606	32,101
60 to 89 days	-	2,404	7,591	7,931	141	<b>18,067</b>	-	127	1,079	534	13	1,753	-	1,753	16,314
>= 90 days	-	-	-	70,208	19,484	<b>89,692</b>	-	-	-	6,587	1,464	8,051	-	8,051	81,641
<b>Subtotal</b>	<b>2,229,101</b>	<b>253,237</b>	<b>369,645</b>	<b>153,657</b>	<b>20,184</b>	<b>3,025,824</b>	<b>18,443</b>	<b>5,248</b>	<b>7,618</b>	<b>26,696</b>	<b>1,535</b>	<b>59,540</b>	<b>1,077</b>	<b>60,617</b>	<b>2,965,207</b>
Mortgage loans															
0 days	-	95,200	-	-	415	<b>95,615</b>	-	148	-	-	9	157	-	157	95,458
1 to 29 days	-	2,328	-	-	50	<b>2,378</b>	-	15	-	-	-	15	-	15	2,363
30 to 59 days	-	672	-	-	99	<b>771</b>	-	10	-	-	3	13	-	13	758
60 to 89 days	-	97	-	-	237	<b>334</b>	-	2	-	-	7	9	-	9	325
>= 90 days	-	-	-	-	910	<b>910</b>	-	-	-	-	26	26	-	26	884
<b>Subtotal</b>	-	<b>98,297</b>	-	-	<b>1,711</b>	<b>100,008</b>	-	<b>175</b>	-	-	<b>45</b>	<b>220</b>	-	<b>220</b>	<b>99,788</b>
Consumer loans															
0 days	-	227,577	-	-	267	<b>227,844</b>	-	6,044	-	-	2,991	9,035	-	9,035	218,809
1 to 29 days	-	1,291	-	-	79	<b>1,370</b>	-	194	-	-	29	223	-	223	1,147
30 to 59 days	-	285	-	-	19	<b>304</b>	-	44	-	-	7	51	-	51	253
60 to 89 days	-	172	-	-	71	<b>243</b>	-	27	-	-	26	53	-	53	190
>= 90 days	-	-	-	-	492	<b>492</b>	-	-	-	-	182	182	-	182	310
<b>Subtotal</b>	-	<b>229,325</b>	-	-	<b>928</b>	<b>230,253</b>	-	<b>6,309</b>	-	-	<b>3,235</b>	<b>9,544</b>	-	<b>9,544</b>	<b>220,709</b>
<b>Total loans</b>	<b>2,229,101</b>	<b>580,859</b>	<b>369,645</b>	<b>153,657</b>	<b>22,823</b>	<b>3,356,085</b>	<b>18,443</b>	<b>11,732</b>	<b>7,618</b>	<b>26,696</b>	<b>4,815</b>	<b>69,304</b>	<b>1,077</b>	<b>70,381</b>	<b>3,285,704</b>



CONCENTRATION OF THE CREDIT RISK BY DAYS PAST DUE As of December 31, 2022 MCh\$	Financial assets before provisions					Total	Provisions made					Subtotal	Deductible FOGAPE guarantees Covid-19 (i)	Total (ii)	Net financial asset (iii)
	Normal portfolio		Substandard portfolio	default portfolio			Normal portfolio		Substandard portfolio	default portfolio					
	Assessment		Assessment	Assessment			Assessment		Assessment	Assessment					
	Individual	Collective	Individual	Individual	Collective		Individual	Collective	Individual	Individual	Collective				
<b>Loans and advances to banks</b>															
0 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Commercial loans</b>															
0 days	1,886,583	229,480	261,852	45,502	295	<b>2,423,712</b>	14,981	4,661	11,016	9,545	32	40,235	1,944	42,179	2,381,533
1 to 29 days	32,646	2,270	26,839	17,831	90	<b>79,676</b>	258	71	265	923	19	1,536	-	1,536	78,140
30 to 59 days	563	1,577	5,691	3,893	42	<b>11,766</b>	6	72	77	337	3	495	-	495	11,271
60 to 89 days	-	1,521	1,522	3,896	81	<b>7,020</b>	-	80	47	180	15	322	-	322	6,698
>= 90 days	-	-	-	56,402	11,589	<b>67,991</b>	-	-	-	5,198	893	6,091	-	6,091	61,900
<b>Subtotal</b>	<b>1,919,792</b>	<b>234,848</b>	<b>295,904</b>	<b>127,524</b>	<b>12,097</b>	<b>2,590,165</b>	<b>15,245</b>	<b>4,884</b>	<b>11,405</b>	<b>16,183</b>	<b>962</b>	<b>48,679</b>	<b>1,944</b>	<b>50,623</b>	<b>2,539,542</b>
<b>Mortgage loans</b>															
0 days	-	67,717	-	-	262	<b>67,979</b>	-	66	-	-	8	74	-	74	67,905
1 to 29 days	-	1,053	-	-	-	<b>1,053</b>	-	14	-	-	-	14	-	14	1,039
30 to 59 days	-	717	-	-	42	<b>759</b>	-	9	-	-	1	10	-	10	749
60 to 89 days	-	68	-	-	45	<b>113</b>	-	2	-	-	1	3	-	3	110
>= 90 days	-	-	-	-	894	<b>894</b>	-	-	-	-	25	25	-	25	869
<b>Subtotal</b>	-	<b>69,555</b>	-	-	<b>1,243</b>	<b>70,798</b>	-	<b>91</b>	-	-	<b>35</b>	<b>126</b>	-	<b>126</b>	<b>70,672</b>
<b>Consumer loans</b>															
0 days	-	23,148	-	-	103	<b>23,251</b>	-	925	-	-	38	963	-	963	22,288
1 to 29 days	-	636	-	-	16	<b>652</b>	-	97	-	-	6	103	-	103	549
30 to 59 days	-	154	-	-	15	<b>169</b>	-	25	-	-	6	31	-	31	138
60 to 89 days	-	86	-	-	7	<b>93</b>	-	14	-	-	2	16	-	16	77
>= 90 days	-	-	-	-	161	<b>161</b>	-	-	-	-	60	60	-	60	101
<b>Subtotal</b>	-	<b>24,024</b>	-	-	<b>302</b>	<b>24,326</b>	-	<b>1,061</b>	-	-	<b>112</b>	<b>1,173</b>	-	<b>1,173</b>	<b>23,153</b>
<b>Total loans</b>	<b>1,919,792</b>	<b>328,427</b>	<b>295,904</b>	<b>127,524</b>	<b>13,642</b>	<b>2,685,289</b>	<b>15,245</b>	<b>6,036</b>	<b>11,405</b>	<b>16,183</b>	<b>1,109</b>	<b>49,978</b>	<b>1,944</b>	<b>51,922</b>	<b>2,633,367</b>

## NOTE 14 – INVESTMENTS IN COMPANIES

As of December 31, 2023 and 2022, the main investments in companies are as follows:

	As of December 31, 2023		As of December 31, 2022	
	Ownership interest %	MCh\$	Ownership interest %	MCh\$
<b>Investments measured at cost:</b>				
Combank S.A.	1.060000	33	1.060000	33
Redbank S.A.	0.499600	18	0.499600	18
Transbank S.A.	0.000003	-	0.000003	-
Sociedad Interbancaria de Depósitos de Valores S.A.	1.438900	17	1.438900	17
Servicios de Infraestructura de Mercado OTC S.A.	1.250000	160	1.250000	160
<b>Total</b>		<b>228</b>		<b>228</b>

As of December 31, 2023 and 2022, the Bank received dividends of MCh\$10 and MCh\$7, respectively.

As of December 31, 2023 and 2022, the detail of investments in companies is as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Opening carrying amount	228	228
Acquisition of investments	-	-
Sale of investments	-	-
Dividends received	-	-
Provision for investment losses	-	-
Foreign currency exchange differences (1)	-	-
<b>Total</b>	<b>228</b>	<b>228</b>

As of December 31, 2023 and 2022, the Bank has no indicators of impairment for investments in companies.

## NOTE 15 – INTANGIBLE ASSETS

As of December 31, 2023 and 2022, this caption comprises the following:

### As of December 31, 2023

Concept	Gross balance	Accumulated amortization and impairment	Net balance
	MCh\$	MCh\$	MCh\$
Goodwill	625	-	625
Intangible assets acquired separately	17,474	2,544	14,930
Intangible assets generated in business combinations	4,810	-	4,810
<b>Total</b>	<b>22,909</b>	<b>2,544</b>	<b>20,365</b>

### As of December 31, 2022

Concept	Gross balance	Accumulated amortization and impairment	Net balance
	MCh\$	MCh\$	MCh\$
Goodwill	625	-	625
Intangible assets acquired separately	27,008	13,992	13,016
Internally-generated intangible assets	-	-	-
<b>Total</b>	<b>27,633</b>	<b>13,992</b>	<b>13,641</b>

As of December 31, 2023 and 2022, movements in intangible assets are detailed as follows:

Gross balance 2023	Intangible assets acquired separately MCh\$	Intangible assets generated in business combinations MCh\$	Internally-generated intangible assets MCh\$	Total MCh\$
Balance as of January 1, 2023	27,008	625	-	27,633
Acquisitions	4,154	-	-	4,154
Removals	(9,930)	-	-	(9,930)
Assets classified as held for sale	-	-	-	-
Other	(3,758)	4,810	-	1,052
<b>Balance as of December 31, 2023</b>	<b>17,474</b>	<b>5,435</b>	<b>-</b>	<b>22,909</b>

Gross balance 2022	Intangible assets acquired separately MCh\$	Intangible assets generated in business combinations MCh\$	Internally-generated intangible assets MCh\$	Total MCh\$
Balance as of January 1, 2022	26,878	625	-	27,503
Acquisitions	613	-	-	613
Removals	(468)	-	-	(468)
Assets classified as held for sale	-	-	-	-
Other	(15)	-	-	(15)
<b>Saldo al 31 de diciembre de 2022</b>	<b>27,008</b>	<b>625</b>	<b>-</b>	<b>27,633</b>

**NOTE 15 – INTANGIBLE ASSETS, CONTINUED**

<b>Accumulated amortization and impairment</b>	<b>Intangible assets acquired separately</b>	<b>Intangible assets generated in business combinations</b>	<b>Internally- generated intangible assets</b>	<b>Total</b>
	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>
As of January 1, 2023	13,992	-	-	13,992
Amortization for the year	(1,518)	-	-	(1,518)
Impairment loss	-	-	-	-
Foreign currency translation differences	-	-	-	-
Other changes in the carrying amount for the year	(9,930)	-	-	(9,930)
<b>Balance as of December 31, 2023</b>	<b>2,544</b>	<b>-</b>	<b>-</b>	<b>2,544</b>
<b>Accumulated amortization and impairment</b>	<b>Intangible assets acquired separately</b>	<b>Intangible assets generated in business combinations</b>	<b>Internally- generated intangible assets</b>	<b>Total</b>
	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>	<b>MCh\$</b>
As of January 1, 2022	12,982	-	-	12,982
Amortization for the year	1,493	-	-	1,493
Impairment loss	-	-	-	-
Foreign currency translation differences	-	-	-	-
Other changes in the carrying amount for the year	(483)	-	-	(483)
<b>Balance as of December 31, 2022</b>	<b>13,992</b>	<b>-</b>	<b>-</b>	<b>13,992</b>

## NOTE 16 – PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2023 and 2022, property, plant and equipment is detailed as follows:

<b>As of December 31, 2023</b>	<b>Land and buildings MCh\$</b>	<b>Other property, plant and equipment MCh\$</b>	<b>Total MCh\$</b>
<b>Cost</b>			
Balance as of January 1, 2023	31	2,216	2,247
Additions	-	860	860
Retirements / disposals	-	(2)	(2)
Transfers	-	-	-
<b>Subtotal</b>	<b>31</b>	<b>3,074</b>	<b>3,105</b>
Accumulated depreciation for the year	(1)	(820)	(821)
Impairment	-	-	-
<b>Net property, plant and equipment as of December 31, 2023</b>	<b>30</b>	<b>2,255</b>	<b>2,285</b>
<b>As of December 31, 2022</b>	<b>Land and buildings MCh\$</b>	<b>Other property, plant and equipment MCh\$</b>	<b>Total MCh\$</b>
<b>Cost</b>			
Gross balance 2022	32	1,872	1,904
Additions	-	1,246	1,246
Retirements / disposals	-	-	-
Transfers	-	-	-
<b>Subtotal</b>	<b>32</b>	<b>3,118</b>	<b>3,150</b>
Accumulated depreciation for the year	(1)	(902)	(903)
Impairment	-	-	-
<b>Net property, plant and equipment as of December 31, 2022</b>	<b>31</b>	<b>2,216</b>	<b>2,247</b>

## NOTE 17 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As of December 31, 2023 and 2022, the Bank has lease agreements that cannot be terminated unilaterally. Below is information on the right-of-use assets under finance leases as a lessee:

<b>As of December 31, 2023</b>	<b>Gross balance MCh\$</b>	<b>Accumulated depreciation MCh\$</b>	<b>Net balance MCh\$</b>
Buildings	28,672	(12,660)	16,012
Leasehold improvements	10,607	(4,572)	6,035
<b>Total</b>	<b>39,279</b>	<b>(17,232)</b>	<b>22,047</b>

  

	<b>Buildings MCh\$</b>	<b>Leasehold improvements MCh\$</b>	<b>Total MCh\$</b>
<b>Gross balance</b>			
As of January 1, 2023	25,856	9,992	35,848
Reclassification	-	-	-
Additions	-	615	615
Disposals	-	-	-
Impairment	-	-	-
Other	2,816	-	2,816
<b>Total</b>	<b>28,672</b>	<b>10,607</b>	<b>39,279</b>
<b>Accumulated depreciation</b>			
As of January 1, 2023	8,942	4,109	13,051
Reclassification	-	-	-
Depreciation for the year	3,717	462	4,179
Disposals	-	-	-
<b>Total</b>	<b>12,660</b>	<b>4,572</b>	<b>17,232</b>
<b>Balance as of December 31, 2023</b>	<b>16,012</b>	<b>6,035</b>	<b>22,047</b>

  

<b>As of December 31, 2022</b>	<b>Gross balance MCh\$</b>	<b>Accumulated depreciation MCh\$</b>	<b>Net balance MCh\$</b>
Buildings	25,857	(8,943)	16,914
Leasehold improvements	9,992	(4,109)	5,883
<b>Total</b>	<b>35,849</b>	<b>(13,052)</b>	<b>22,797</b>

**NOTE 17 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES, CONTINUED**

	<b>Buildings MCh\$</b>	<b>Leasehold improvements MCh\$</b>	<b>Total MCh\$</b>
<b>Gross balance</b>			
As of January 1, 2022	23,698	9,929	33,627
Reclassification	-	-	-
Additions	-	63	63
Disposals	-	-	-
Impairment	-	-	-
Other	2,158	-	2,158
<b>Total</b>	<b><u>25,856</u></b>	<b><u>9,992</u></b>	<b><u>35,848</u></b>
<b>Accumulated depreciation</b>			
As of January 1, 2022	6,333	3,632	9,965
Reclassification	-	-	-
Depreciation for the year	2,609	477	3,086
Disposals	-	-	-
<b>Total</b>	<b><u>8,942</u></b>	<b><u>4,109</u></b>	<b><u>13,051</u></b>
<b>As of December 31, 2022</b>	<b><u>16,914</u></b>	<b><u>5,883</u></b>	<b><u>22,797</u></b>

**Lease liabilities**

**Total cash flows  
for the period  
MCh\$**

Balances as of January 1, 2023	17,193
Liabilities for new lease agreements	-
Interest expense	(166)
Indexation	766
Payment of principal and interests	<u>(1,474)</u>
<b>Balances as of December 31, 2023</b>	<b><u>16,318</u></b>

**Lease liabilities**

**Rollforward of  
lease liability  
MCh\$**

Balances as of January 1, 2022	17,539
Liabilities for new lease agreements	-
Interest expense	2,560
Indexation	(167)
Payment of principal and interests	<u>(2,739)</u>
<b>Balances as of December 31, 2022</b>	<b><u>17,193</u></b>

**NOTE 17 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES, CONTINUED**

Amounts to be collected in the future under finance leases: Land, Buildings and Equipment

As of December 31, 2023

	Expense for the year MCh\$	Up to 1 month MCh\$	1 to 3 months MCh\$	3 months to 1 year MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Lease of real estate	49,741	253	506	2,276	6,068	6,068	399	15,570
<b>Total</b>	<b>49,741</b>	<b>253</b>	<b>506</b>	<b>2,276</b>	<b>6,068</b>	<b>6,068</b>	<b>399</b>	<b>15,570</b>

As of December 31, 2022

	Expense for the year MCh\$	Up to 1 month MCh\$	1 to 3 months MCh\$	3 months to 1 year MCh\$	1 to 3 years MCh\$	3 to 5 years MCh\$	Over 5 years MCh\$	Total MCh\$
Lease of real estate	2,708	239	477	2,148	8,687	5,792	381	17,724
<b>Total</b>	<b>2,708</b>	<b>239</b>	<b>477</b>	<b>2,148</b>	<b>8,687</b>	<b>5,792</b>	<b>381</b>	<b>17,724</b>

The Bank and its subsidiaries have adopted beginning on January 1, 2019, the International Financial Reporting Standard (IFRS) 16 "Leases", recognizing assets and liabilities for the present value of the total future payments committed to in the contracts. These cash flows are discounted at an incremental borrowing rate according to the term of the lease and the nature of the right-of-use asset. Right-of-use assets are amortized over the non-cancelable term of the lease or the useful life of the asset, whichever is lower. Note that the leases held by the Bank correspond to offices (Head Office), which are leased from a related party and branches that are leased from third parties.



**NOTE 17 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES, CONTINUED**

**a) Detail of right-of-use assets:**

As of December 31, 2023 and 2022, movements in the associated right-of-use item by class of underlying asset is as follows:

	<b>Properties MCh\$</b>	<b>Vehicles MCh\$</b>	<b>Equipment MCh\$</b>	<b>Total MCh\$</b>
As of January 1, 2023	16,947	-	-	16,947
Amortization for the year	(3,749)	-	-	(3,749)
Additions	-	-	-	-
Disposals	-	-	-	-
Increase (decrease) in foreign currency translation differences	-	-	-	-
Inflation-indexation for debt valuation	2,814	-	-	2,814
<b>Balance as of December 31, 2023</b>	<b>16,012</b>	<b>-</b>	<b>-</b>	<b>16,012</b>
	<b>Properties MCh\$</b>	<b>Vehicles MCh\$</b>	<b>Equipment MCh\$</b>	<b>Total MCh\$</b>
As of January 1, 2022	17,364	-	-	17,364
Amortization for the year	(2,609)	-	-	(2,609)
Additions	-	-	-	-
Disposals	-	-	-	-
Increase (decrease) in foreign currency translation differences	-	-	-	-
Inflation-indexation for debt valuation	2,192	-	-	2,192
<b>Balance as of December 31, 2022</b>	<b>16,947</b>	<b>-</b>	<b>-</b>	<b>16,947</b>

**NOTE 17 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES, CONTINUED**

**b) Detail of lease liabilities:**

An analysis of the maturity of the contractual cash flows for lease liabilities as of December 31, 2023 and 2022, is detailed as follows:

<b>As of December 31, 2023</b>								
<b>Entity</b>	<b>Total Current Debt MCh\$</b>	<b>Current Debt as of 12.31.2023 MCh\$</b>	<b>Up to 3 months MCh\$</b>	<b>3 to 12 months MCh\$</b>	<b>Non-current Debt as of 12.31.2023 MCh\$</b>	<b>1 to 3 years MCh\$</b>	<b>3 to 5 years MCh\$</b>	<b>Over 5 years MCh\$</b>
Banco Internacional	15,570	3,035	759	2,276	12,535	6,068	6,068	399
Baninter Corredores de Seguros	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,570</b>	<b>3,035</b>	<b>759</b>	<b>2,276</b>	<b>12,535</b>	<b>6,068</b>	<b>6,068</b>	<b>399</b>

  

<b>As of December 31, 2022</b>								
<b>Entity</b>	<b>Total Current Debt MCh\$</b>	<b>Current Debt as of 12.31.2022 MCh\$</b>	<b>Up to 3 months MCh\$</b>	<b>3 to 12 months MCh\$</b>	<b>Non-current Debt as of 12.31.2022 MCh\$</b>	<b>1 to 3 years MCh\$</b>	<b>3 to 5 years MCh\$</b>	<b>Over 5 years MCh\$</b>
Banco Internacional	17,756	2,896	724	2,172	14,860	8,687	5,792	381
Baninter Corredores de Seguros	(32)	(32)	(8)	(24)	-	-	-	-
<b>Total</b>	<b>17,724</b>	<b>2,864</b>	<b>716</b>	<b>2,148</b>	<b>14,860</b>	<b>8,687</b>	<b>5,792</b>	<b>381</b>

As of December 31, 2023, the liquidity risk associated with these maturities is hedged by the cash flows from operating activities from the related subsidiaries. There are no restrictions associated with leases.

## NOTE 18 – TAXES

### Current tax

At year-end 2023 and 2022, the Bank has established a provision for corporate income tax, which was determined based on current tax legislation, resulting in a net asset as of December 31, 2023 of MCh\$ 2,045 (asset of MCh\$ 4,923 as of December 31, 2022).

The detail is as follows:

Current tax	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Income tax	(11,513)	(12,541)
Tax on non-deductible expenses 40%	-	-
Monthly provisional income tax payments	13,086	16,948
Other (Sence credit for training, donations, credit for acquisition of PPE)	495	516
<b>Current tax assets</b>	<b>2,068</b>	<b>4,923</b>
<b>Less:</b>		
Income tax	(46)	-
Tax on non-deductible expenses 40%	-	-
Monthly provisional income tax payments	-	-
Other (Sence credit for training, donations, credit for acquisition of PPE)	23	-
<b>Current tax liabilities</b>	<b>(23)</b>	<b>-</b>
<b>Total current tax assets (liabilities)</b>	<b>2,045</b>	<b>4,923</b>

### Tax benefit (expense)

As of December 31, 2023 and 2022, the Bank recorded an allowance for corporate income tax of MCh\$12,733 and MCh\$4,505, respectively.

The effect of tax benefit (expense) for the years ended December 31, 2023 and 2022 is composed of the following:

Tax benefit (expense)	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
<b>Income tax expenses:</b>		
Current year tax	(12,219)	(11,600)
<b>Credit (debit) for deferred taxes:</b>		
Origination and reversal of temporary differences	(1,529)	6,840
Adjustment of prior year deferred taxes	-	-
Effect of the change of rate in deferred taxes	-	-
<b>Subtotal</b>	<b>(13,748)</b>	<b>(4,760)</b>
Tax on non-deductible expenses under Article No.21	(1)	255
Other	1,016	-
<b>Net (debit)/ credit to income tax (expense) benefit</b>	<b>(12,733)</b>	<b>(4,505)</b>

## NOTE 18 – TAXES, CONTINUED

### Reconciliation of effective tax rate

As of December 31, 2023 and 2022, the reconciliation between the income tax rate and the effective rate applied for the determination of the income tax expense is detailed as follows:

	As of December 31,			
	2023		2022	
	Tax rate %	Amount MCh\$	Tax rate %	Amount MCh\$
<b>Profit before income tax</b>		67,158		52,032
Tax using the legal tax rate	27.00%	18,133	27.00%	14,049
Permanent differences	(9.40%)	(6,314)	(18.26%)	(9,504)
One-off tax (non-deductible expenses)	0.00%	1	0.00%	-
Change in income tax rate	0.00%	-	0.00%	-
Adjustment of prior year deferred taxes	2.87%	1,929	0.41%	215
Other	(1.51%)	<u>(1,015)</u>	(0.49%)	<u>(255)</u>
<b>Total effective rate and income tax expense</b>	<b>18.96%</b>	<b><u>12,733</u></b>	<b>8.66%</b>	<b><u>4,505</u></b>

### Effect of deferred taxes

During the years ended December 31, 2023 and 2022, the Bank has recorded in its Consolidated Financial Statements the effects of deferred taxes in accordance with IAS 12 “Income Taxes.”

**NOTE 18 – TAXES, CONTINUED**  
**Effect of deferred taxes, continued**

The effects of deferred taxes on assets, liabilities and net income resulting from temporary differences are detailed as follows:

As of December 31, 2023

<b>Concepts:</b>	<b>Assets MCh\$</b>	<b>Equity MCh\$</b>	<b>Net MCh\$</b>
<b>Assets</b>			
Loan provisions	24,609	-	24,609
Provision vacation	763	-	763
Deferred commissions	10	-	10
Assets received in lieu of payment	1,571	-	1,571
Difference in valuation of PPE	(17)	-	(17)
Interest and indexation accrued on risky portfolio	4,934	-	4,934
Provision for contingencies	1,372	-	1,372
Settlement of foreign exchange position	-	-	-
Difference in valuation of derivatives	-	-	-
Adjustment to market value of financial instruments	(69)	-	(69)
Leasing transactions (net)	1,216	-	1,216
Tax loss	1,662	-	1,662
Other	-	-	-
Suspension of accrual of interest suspended	-	57	57
Fluctuation of investment instruments through other comprehensive income	3,093	-	3,093
<b>Total net assets</b>	<b><u>39,144</u></b>	<b><u>57</u></b>	<b><u>39,201</u></b>
<b>Liabilities</b>			
Improvements	(1,630)	-	(1,630)
Difference in valuation of derivatives	(2,634)	-	(2,634)
Intangible assets	-	-	-
Settlement of foreign exchange position	-	-	-
Adjustment to market value of financial instruments	-	-	-
Leasing transactions (net)	-	-	-
Factoring transactions	-	-	-
Conforming adjustment for new compendium	-	(89)	(89)
Other	(3,736)	-	(3,736)
Fluctuation of investment instruments through other comprehensive income	(5,730)	(169)	(5,899)
<b>Total net liabilities</b>	<b><u>(13,730)</u></b>	<b><u>(258)</u></b>	<b><u>(13,988)</u></b>
<b>Total net asset/ (liability)</b>	<b><u>25,414</u></b>	<b><u>(201)</u></b>	<b><u>25,213</u></b>

**NOTE 18 – TAXES, CONTINUED**  
**Effect of deferred taxes, continued**

As of December 31, 2022

<b>Concepts:</b>	<b>Assets MCh\$</b>	<b>Equity MCh\$</b>	<b>Net MCh\$</b>
<b>Assets</b>			
Loan provisions	21,333	-	21,333
Accrued vacation	622	-	622
Deferred commissions	7	-	7
Assets received in lieu of payment	1,522	-	1,522
Difference in valuation of PPE	330	-	330
Interest and indexation accrued on risky portfolio	4,567	-	4,567
Provision for contingencies	1,573	-	1,573
Settlement of foreign exchange position	-	-	-
Adjustment to market value of financial instruments	237	-	237
Leasing operations (net)	2,385	-	2,385
Tax loss	114	-	114
Other	2,006	57	2,063
Fluctuation of investment instruments through other comprehensive income	-	2,014	2,014
<b>Total net assets</b>	<b>34,696</b>	<b>2,071</b>	<b>36,767</b>
<b>Liabilities</b>			
Improvements	(1,588)	-	(1,588)
Difference in valuation of derivatives	(3)	-	(3)
Intangible assets	(1,965)	-	(1,965)
Settlement of foreign exchange position	-	-	-
Adjustment to market value of financial instruments	-	-	-
Leasing transactions (net)	-	-	-
Factoring transactions	-	-	-
Other	(205)	-	(205)
Settlement of foreign exchange position	-	-	-
<b>Total net liabilities</b>	<b>(3,761)</b>	<b>-</b>	<b>(3,761)</b>
<b>Total net asset/ (liability)</b>	<b>30,935</b>	<b>2,071</b>	<b>33,006</b>

**NOTE 18 – TAXES, CONTINUED**  
**Effect of deferred taxes, continued**

**Summary of the effect of deferred taxes**

A summary of deferred taxes, considering both their effect on equity and profit or loss is included below.

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Deferred tax assets</b>		
With effect on equity	57	2,071
With effect on profit or loss	39,144	34,696
<b>Total deferred tax assets</b>	<b>39,201</b>	<b>36,767</b>
<b>Deferred tax liabilities</b>		
With effect on equity	(259)	-
With effect on profit or loss	(13,730)	(3,761)
<b>Total deferred tax liabilities</b>	<b>(13,989)</b>	<b>(3,761)</b>
<b>Total net deferred tax assets (liabilities)</b>	<b>25,213</b>	<b>33,006</b>

**Supplementary information related to the Circular issued by the Chilean Internal Revenue Service (IRS) and the Financial Market Commission**

As required by Circular No.69 issued jointly by the Financial Market Commission and the Chilean Internal Revenue Service (IRS), the tax information related to provisions, write-offs, renegotiations and reissuances of loans granted by the Bank as of December 31, 2023 and 2022, is presented below.

	As of December 31, 2023				
	Financial statement assets MCh\$	Assets at tax value			Balance as of 12.31.2023 MCh\$
Total MCh\$		Secured default portfolio MCh\$	Unsecured default portfolio MCh\$	Provisions made MCh\$	
<b>A. Loans and advances to customers</b>					
Commercial loans	2,821,270	2,821,270	12,769	358	
Consumer loans	43,111	43,111	-	14	
Mortgage loans	99,673	99,673	53	-	
<b>B. Provisions for unsecured default portfolio</b>					
	Balance as of 01.01.2023 MCh\$	Write-off against provisions MCh\$	Provisions made MCh\$	Provisions released MCh\$	
Commercial loans	3,937	-	5,965	(2,972)	6,930
Consumer loans	34	-	75	(5)	104
Mortgage loans	-	-	-	-	-
<b>C. Direct write-offs and recoveries</b>	MCh\$				
Direct write-offs per Art. 31 No. 4, second subparagraph	15,270				
Forgiveness resulting in the release of provisions	-				
Recovery or renegotiation of loans written-off	(6,862)				
<b>D. Application of Art. 31 No. 4 first and third</b>	MCh\$				
Write-offs per first paragraph	-				
Forgiveness as per third paragraph	-				

**NOTE 18 – TAXES, CONTINUED**  
**Effect of deferred taxes, continued**

As of December 31, 2022

	Financial statement assets MCh\$	Assets at tax value			Balance as of 12.31.2022 MCh\$
		Total MCh\$	Secured default portfolio MCh\$	Unsecured default portfolio MCh\$	
<b>A. Loans and advances to customers, current</b>					
Commercial loans	2,340,962	2,340,962	9,663	239	
Consumer loans	24,261	24,261	-	3	
Mortgage loans	70,556	70,556	77	-	
	<b>Balance as of 01.01.2022 MCh\$</b>	<b>Write-off against provisions MCh\$</b>	<b>Provisions made MCh\$</b>	<b>Provisions released MCh\$</b>	<b>Balance as of 12.31.2022 MCh\$</b>
<b>B. Provisions for unsecured default portfolio</b>					
Commercial loans	2,676	-	4,042	(2,782)	3,937
Consumer loans	46	-	22	(34)	34
Mortgage loans	-	-	-	-	-
<b>C. Direct write-offs and recoveries</b>					
	<b>MCh\$</b>				
Direct write-offs per Art. 31 No. 4, second subparagraph	8,029				
Forgiveness resulting in the release of provisions	-				
Recovery or renegotiation of loans written-off	(2,389)				
<b>D. Application of Art. 31 No. 4 first and third subparagraphs</b>					
	<b>MCh\$</b>				
Write-offs per first paragraph	-				
Forgiveness as per third paragraph	-				



## NOTE 19 – OTHER ASSETS

As of December 31, 2023 and 2022, the details of this item are as follows:

	As of December 31 2023 MCh\$	As of December 31 2022 MCh\$
<b>Other assets</b>		
Assets under lease agreements as lessor (*)	209	243
Cash guarantees granted for derivative financial transactions	11,582	20,906
Receivables from brokers and dealers of financial instruments	-	-
Receivables from the use of payment cards with provision of funds	-	-
Receivables due from related parties	79,545	14,645
Receivables due from bank subsidiaries for services rendered (applies only at individual bank level)	50	64
Investment property	1,657	2,039
VAT fiscal credit receivable	12,831	2
Valuation adjustments for macro hedges	-	-
Assets to support defined benefit postemployment plan obligations	-	-
Assets for revenue from contracts with customers	-	-
Investments in gold	-	-
Other cash guarantees granted	-	-
Pending transactions	85	229
Other assets	5,264	2,484
Commissions and invoices receivable	-	-
Accounts and notes receivable associated with leases	-	-
Deposits and performance bonds	431	418
Margin deposits	53,606	46,599
Accounts to be deferred	7,020	3,273
Movements to distribute	-	55
Accumulated impairment on other assets receivable	-	-
<b>Total</b>	<b>172,280</b>	<b>90,957</b>

(\*) Corresponds to property, plant and equipment available to be delivered under finance leases.

**NOTE 20 –NON-CURRENT ASSETS FOR SALE AND LIABILITIES INCLUDED HELD-FOR SALE**

As of December 31, 2023 and 2022, the details of this item are as follows:

	As of December 31, 2023	As of December 31, 2022
	MCh\$	MCh\$
<b>Assets received in lieu of payments or obtained through court-ordered public auction</b>		
Assets received in lieu of payment	643	-
Assets obtained through court-ordered public auction	6,060	2,771
Provision for assets received in lieu of payment or obtained through court-ordered public auction	(460)	(24)
<b>Subtotal</b>	<u>6,243</u>	<u>2,747</u>
<b>Non-current assets held for sale</b>		
Investments in companies	-	-
Intangible assets	-	-
Property, plant and equipment	-	-
Assets recovered from financial leasing transactions	11,664	12,287
Other assets	745	-
<b>SubTotal</b>	<u>12,409</u>	<u>12,287</u>
<b>held for sale</b>	<u>-</u>	<u>-</u>
<b>Subtotal</b>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>18,652</u>	<u>15,034</u>

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

a) As of December 31, 2023 and 2022, the detail of the financial liabilities portfolio held for trading, classified by type of derivative, is as follows:

As of December 31, 2023	On-demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Fair value Liabilities
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Financial derivatives</b>								
Forwards	-	434,082	559,181	942,563	104,827	-	-	44,719
Swaps	-	228,674	1,377,920	5,758,653	2,424,880	635,585	896,014	289,303
Call options	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>662,756</b>	<b>1,937,101</b>	<b>6,701,216</b>	<b>2,529,707</b>	<b>635,585</b>	<b>896,014</b>	<b>334,022</b>
As of December 31, 2022	On-demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Fair value Liabilities
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Financial derivatives</b>								
Financial derivatives	-	646,082	448,120	381,519	211,963	33,145	-	86,550
Forwards	-	206,876	785,774	2,054,774	2,015,287	867,379	873,710	386,182
Swaps	-	-	-	-	-	-	-	-
Call options	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-
Future contracts	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>852,958</b>	<b>1,233,894</b>	<b>2,436,293</b>	<b>2,227,250</b>	<b>900,524</b>	<b>873,710</b>	<b>472,732</b>

(\*) The cash flows presented represent the fair values of the nominal values of the derivative instruments portfolio.

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

a.1) As of December 31, 2023 and 2022, the detail of the financial liabilities portfolio held for trading at fair value, classified by category, is as follows:

As of December 31, 2023	Notional amount of contracts							Fair value
	On-demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
<b>Derivatives held for trading:</b>								
Interest rate	-	-	-	7,726	131,485	78,766	4,047	6,817
Currency	-	434,082	559,181	942,563	104,827	-	-	44,719
Cross-currency	-	109,374	121,879	565,849	914,977	199,929	537,827	187,880
Other	-	119,300	1,256,041	5,185,078	1,378,418	356,890	354,141	94,606
<b>Total</b>	<b>-</b>	<b>662,756</b>	<b>1,937,101</b>	<b>6,701,216</b>	<b>2,529,707</b>	<b>635,585</b>	<b>896,015</b>	<b>334,022</b>

  

As of December 31, 2022	Notional amount of contracts							Fair value
	On-demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
<b>Derivatives held for trading:</b>								
Interest rate	-	-	-	102,364	75,805	109,025	27,387	11,343
Currency	-	646,082	448,120	381,519	211,963	33,145	-	86,498
Cross-currency	-	23,745	61,444	277,417	695,611	214,883	350,400	156,262
Other	-	183,131	724,330	1,674,993	1,243,871	543,471	495,924	218,629
<b>Total</b>	<b>-</b>	<b>852,958</b>	<b>1,233,894</b>	<b>2,436,293</b>	<b>2,227,250</b>	<b>900,524</b>	<b>873,711</b>	<b>472,732</b>

## NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST

As of December 31, 2023 and 2022, the details of this item are as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
a) Deposits and other term deposits	231,360	175,183
b) Term and on-demand deposits	1,874,639	1,607,169
c) Liabilities for agreements to repurchase and securities lending	-	-
d) Bank borrowings	811,601	579,559
e) Financial debt securities issued	986,690	905,171
f) Other financial liabilities	2,663	1,528
<b>Total</b>	<b>3,906,953</b>	<b>3,268,610</b>

### a) Deposits and other on-demand liabilities

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Current accounts</b>	161,886	143,322
Current accounts of domestic banks	202	168
Current accounts of foreign banks	-	-
Current accounts of other legal entities	152,208	134,698
Current accounts of natural persons	9,476	8,455
<b>On-demand deposit accounts</b>	212	189
<b>Other on-demand deposits</b>	24,135	5,291
<b>Obligations for payment card fund reserve account</b>	-	-
<b>Other on-demand liabilities</b>	45,127	26,381
<b>Total</b>	<b>231,360</b>	<b>175,183</b>

### b) Deposits and other term deposits

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Term deposits</b>	1,874,531	1,607,009
<b>Term savings account</b>	19	135
Term savings accounts with deferred fund transfer	6	8
Terms savings accounts with unconditional fund trans	13	126
<b>Other term creditor balances</b>	89	25
<b>Total</b>	<b>1,874,639</b>	<b>1,607,169</b>

### c) Liabilities for agreements to repurchase and securities lending

There are no transactions as of the dates indicated.

**NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST, CONTINUED**

**d) Bank borrowings**

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Domestic banks</b>	24,246	-
Foreign trade financing	-	-
Loans and other borrowings	24,246	-
<b>Foreign banks</b>	<b>452,534</b>	<b>244,904</b>
Foreign trade financing	107,565	244,904
Loans and other borrowings	344,969	-
<b>Central Bank of Chile</b>	<b>334,821</b>	<b>334,655</b>
Loans and other borrowings	334,821	334,655
Lines of credit for debt rescheduling	-	-
<b>Foreign Central Banks</b>	-	-
Loans and other borrowings	-	-
Lines of credit for debt rescheduling	-	-
<b>Total</b>	<b>811,601</b>	<b>579,559</b>

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Borrowings from domestic financial institutions</b>	24,246	334,655
<b>Borrowings from the Central Bank of Chile</b>	<b>334,822</b>	<b>334,655</b>
Central Bank of Chile	334,822	334,655
<b>Borrowings from foreign financial institutions</b>	452,533	244,904
<b>Total</b>	<b>811,601</b>	<b>579,559</b>

**e) Debt instruments issued**

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Letters of credit</b>	<b>8,202</b>	<b>9,332</b>
Letters of credit for mortgage	6,601	7,288
Letters of credit for other purposes	1,601	2,044
<b>Bonds</b>	<b>978,488</b>	<b>895,839</b>
Current bonds	978,488	895,839
Mortgage bonds	-	-
<b>Total</b>	<b>986,690</b>	<b>905,171</b>

**NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST, CONTINUED**

As of December 31, 2023, the Bank holds current bonds as follows:

Series	Currency	Issue amount	Term	Issue rate %	Date of issue	Date of maturity	Placed amount
BINT-O1218	CLF	4,000,000	7 years	2.0%	December 2018	December 2025	4,000,000
BINT-R0919	CLF	3,000,000	11 years	1.0%	September 2019	September 2030	1,302,000
BINT-S0319	CLF	3,000,000	7 years	1.0%	March 2019	March 2026	3,000,000
BINT-U0819	CLF	3,000,000	5 years	1.0%	August 2019	August 2024	3,000,000
BINTAC0620	CLF	2,500,000	5 years	1.0%	June 2020	June 2025	1,260,000
BINTAD0620	CLP	71,000,000,000	5 years	3.0%	June 2020	June 2025	24,300,000,000
BINTAE1220	CLF	3,000,000	6 years	1.1%	December 2020	December 2026	3,000,000
BINTAF1220	CLF	2,500,000	7 years	1.1%	December 2020	December 2027	2,485,000
BINTAG1220	CLF	2,500,000	8 years	1.2%	December 2020	December 2028	1,160,000
BINTAH0320	CLF	3,000,000	15 years	1.5%	March 2020	March 2035	3,000,000
BINTAJ0122	CLF	2,500,000	7 years	1.8%	January 2022	July 2028	1,376,000
BINTAK0122	CLF	2,500,000	11 years	2.0%	January 2022	July 2032	595,000
BINTAL1122	CLP	74,000,000,000	15 years	5.0%	November 2022	October 2027	46,700,000,000
-	-	-	-	0.0%	January 00	January 00	-
<b>Total</b>		<b>145,031,500,000</b>					<b>71,024,178,000</b>

**f) Other financial liabilities**

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Other financial liabilities:</b>		
Liabilities with the public sector	2,663	1,528
Other domestic financial liabilities	-	-
Other foreign financial liabilities	-	-
<b>Total</b>	<b>2,663</b>	<b>1,528</b>

### NOTE 23 – REGULATORY CAPITAL FINANCIAL INSTRUMENTS ISSUED

As of December 31, 2023 and 2022, the movements in cash flows from financing activities are as follows:

As of December 31, 2023	Subordinated bonds MCh\$	Bonds with no fixed term MCh\$	Preferred shares MCh\$	Total MCh\$
<b>Opening balance</b>	153,220	-	-	153,220
New issues made	-	-	-	-
Acquisition or redemption by the issuer	-	-	-	-
Modification of issuance conditions	-	-	-	-
Payment of interests to the holder	-	-	-	-
Payment of principal to the holder	(3,394)	-	-	(3,394)
Accrued interest	26	-	-	26
Adjustments accrued for the UF and/or exchange rate	4,998	-	-	4,998
Foreign currency translation differences	-	-	-	-
Depreciation	-	-	-	-
Reappreciation	-	-	-	-
Expiration	-	-	-	-
Conversion to ordinary shares	-	-	-	-
Other	-	-	-	-
<b>Total as of period-end</b>	<b>154,850</b>	<b>-</b>	<b>-</b>	<b>154,850</b>

As of December 31, 2022	Subordinated bonds MCh\$	Bonds with no fixed term MCh\$	Preferred shares MCh\$	Total MCh\$
<b>Opening balance</b>	140,030	-	-	140,030
New issues made	-	-	-	-
Acquisition or redemption by the issuer	-	-	-	-
Modification of issuance conditions	-	-	-	-
Payment of interests to the holder	-	-	-	-
Payment of principal to the holder	(3,393)	-	-	(3,393)
Accrued interest	(596)	-	-	(596)
Adjustments accrued for the UF and/or exchange rate	17,179	-	-	17,179
Foreign currency translation differences	-	-	-	-
Depreciation	-	-	-	-
Reappreciation	-	-	-	-
Expiration	-	-	-	-
Conversion to ordinary shares	-	-	-	-
Other	-	-	-	-
<b>Total as of period-end</b>	<b>153,220</b>	<b>-</b>	<b>-</b>	<b>153,220</b>



## NOTE 24 – PROVISIONS FOR CONTINGENCIES

As of December 31, 2023 and 2022, this caption comprises the following:

	As of December 31, 2023 MCh\$\$	As of December 31, 2022 MCh\$
Provisions for employee benefit obligations	3,358	2,257
Provisions for restructuring plans	-	-
Provisions for lawsuits and litigation	494	235
Provisions for customer loyalty and merit program obligations	-	-
Provisions for operational risk	-	-
Provisions for other contingencies.	1,636	63
<b>Total</b>	<b>5,488</b>	<b>2,555</b>

The detail of provisions for personnel benefits and expenses is as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Provision for short-term personnel benefits	3,298	2,257
Provision for post-employment personnel benefits	-	-
Provision for long-term personnel benefits	-	-
Provision for personnel termination benefits	-	-
Provision for payments to personnel based on shares or equity instruments	-	-
Provision for defined contribution post-employment benefit plan obligations	-	-
Provision for defined benefit post-employment plan obligations	-	-
Provision for other personnel obligations	60	-
<b>Total</b>	<b>3,358</b>	<b>2,257</b>

Movements in allowances during the years ended December 31, 2023 and 2022, are detailed as follows:

	Provisions for					
	Personnel benefits and expenses	Restructuring plans	Lawsuits and trials	Customer loyalty program obligations and merit-based programs	Operational risk	Other contingencies
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Balances as of January 1, 2023</b>	2,257	-	235	-	-	63
Application of provisions	(381)	-	(11)	-	-	(3,155)
Provisions made	1,482	-	270	-	-	4,728
Provisions released	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Balance as of December 31, 2023</b>	<b>3,358</b>	<b>-</b>	<b>494</b>	<b>-</b>	<b>-</b>	<b>1,636</b>
<b>As of January 1, 2022</b>	2,017	-	235	-	638	49
Application of provisions	(461)	-	-	-	(638)	(19)
Provisions made	701	-	-	-	-	33
Provisions released	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Balances as of December 31, 2022</b>	<b>2,257</b>	<b>-</b>	<b>235</b>	<b>-</b>	<b>-</b>	<b>63</b>

## NOTE 25 – PROVISIONS FOR DIVIDENDS, PAYMENT OF INTEREST

The breakdown of this item is as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Provision for payment of dividends on ordinary shares	16,623	14,258
Provision for payment of dividends on preferred shares	-	-
Provisions for payment of interests of bonds with no fixed maturity date	-	-
Provisions for reappreciation of bonds with no fixed maturity date	-	-
<b>Total</b>	<b>16,623</b>	<b>14,258</b>

Movements in provisions are detailed as follows:

	Provisions				Total
	Provision for payment of dividends on ordinary shares	Provision for payment of dividends on preferred shares	Provisions for payment of interests of bonds with no fixed maturity date	Provisions for reappreciation of bonds with no fixed maturity date	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>As of January 1, 2023</b>	14,258	-	-	-	14,258
Provisions made	16,623	-	-	-	16,623
Application of provisions	(14,258)	-	-	-	(14,258)
Provisions released	-	-	-	-	-
Other movements	-	-	-	-	-
<b>As of decemeber 31, 2023</b>	<b>16,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,623</b>
<b>As of January 1 2022</b>	9,909	-	-	-	9,909
Provisions made	14,258	-	-	-	14,258
Application of provisions	(9,909)	-	-	-	(9,909)
Provisions released	-	-	-	-	-
Other movements	-	-	-	-	-
<b>As of decemeber 31, 2022</b>	<b>14,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,258</b>

## NOTE 26 – SPECIAL ALLOWANCES FOR CREDIT RISK

As of December 31, 2023 and 2022, the special allowances for credit risk shown in liabilities are as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Allowance for credit risk for contingent loans	2,007	1,722
Allowances for country risk for transactions with foreign receivables	370	418
Special allowances for foreign loans	-	-
Additional allowances for loans	22,582	22,582
Provisions for adjustments to the minimum required provision for normal portfolio with individual evaluation	-	-
Allowances for credit risk as a result of supplementary prudential requirements	-	-
<b>Total</b>	<b>24,959</b>	<b>24,722</b>

- a) The detail of allowances for credit risk for contingent loans for the years ended December 31, 2023 and 2022, is as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Guarantor over the collateral	232	116
Letters of credit for goods movement transactions	39	28
Transactions related to contingent events	1,016	777
Undrawn lines of credit	-	-
Other loan commitments	236	405
Undrawn lines of credit with immediate cancellation	484	396
Commitments to purchase local currency debt abroad	-	-
Other contingent loans	-	-
<b>Total</b>	<b>2,007</b>	<b>1,722</b>

- b) The detail of additional allowances for loans for the years ended December 31, 2023 and 2022, is as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Commercial loans	22,582	22,582
Mortgage loans	-	-
Consumer loans	-	-
<b>Total</b>	<b>22,582</b>	<b>22,582</b>

**NOTE 26 – SPECIAL ALLOWANCES FOR CREDIT RISK, CONTINUED**

**c)** The movement in provisions for the years ended December 31, 2023 and 2022, is as follows:

	Contingent loans	Country risk for debtors domiciled abroad	Foreign loans	Additional for loans	Adjustments to minimum provision required for normal portfolio with individual evaluation	Credit risk as a result of additional prudential requirements
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Balances as of January 1, 2023</b>	1,722	418	-	22,582	-	-
Application of provisions	(548)	(125)	-	-	-	-
Provisions made	833	77	-	-	-	-
Provisions released	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Balances as of December 31, 2023</b>	<b>2,007</b>	<b>370</b>	<b>-</b>	<b>22,582</b>	<b>-</b>	<b>-</b>
	Contingent loans	Country risk for debtors domiciled abroad	Foreign loans	Additional for loans	Adjustments to minimum provision required for normal portfolio with individual evaluation	Credit risk as a result of additional prudential requirements
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Balances as of January 1, 2022</b>	2,543	453	-	22,582	-	-
Application of provisions	(1,805)	(124)	-	-	-	-
Provisions made	984	89	-	-	-	-
Provisions released	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Balances as of December 31, 2022</b>	<b>1,722</b>	<b>418</b>	<b>-</b>	<b>22,582</b>	<b>-</b>	<b>-</b>

## NOTE 27 – OTHER LIABILITIES

As of December 31, 2023 and 2022, the details of this item are as follows:

	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
Cash guarantees received for derivative financial transactions	22,956	36,448
Payables to brokers and dealers of financial instruments	-	-
Payables due to third parties	33,246	13,912
Payables to bank subsidiaries (applies only at the individual subsidiary level)	-	16
Agreed dividends payable	23	22
Valuation adjustments for macro-hedges	1,077	-
Liabilities for revenue from contracts with customers	159	163
VAT debit payable	1,390	1,508
Other cash guarantees received	-	-
Pending transactions	135	176
Other liabilities	1,278	1,602
ATM for distribution	36	345
Other provisions	20,761	5,745
Comder margin payable	9,188	9,477
<b>Total</b>	<b>90,249</b>	<b>69,414</b>

## NOTE 28 – EQUITY

### Corporate capital and shares:

As of December 31, 2023 and 2022, the paid-in capital is divided into 4,208,968,437 and 3,748,785,077 subscribed and paid common shares without par value, respectively.

Movements in shares during the years ended December 31, 2023 and 2022, were as follows:

<b>Number of shares</b>	<b>As of December 31, 2023</b>	<b>As of December 31, 2022</b>
Issued as of January 1	3,748,785,077	3,748,785,077
Issuance of fully-paid shares	460,183,360	-
Issuance of shares pending payment	-	-
Share options exercised	-	-
<b>Total shares issued</b>	<b>4,208,968,437</b>	<b>3,748,785,077</b>

As of December 31, 2023 and 2022, the Bank's shares are distributed as follows:

	<b>As of December 31, 2023</b>		<b>As of December 31, 2022</b>	
	<b>No. of fully-paid shares</b>	<b>Ownership %</b>	<b>No. of fully-paid shares</b>	<b>Ownership %</b>
Ilc Holdco SPA	2,828,402,596	67.20	2,518,620,212	67.19
BANINTER SPA	1,370,517,985	32.56	1,220,411,232	32.55
Other minority shareholders	10,047,856	0.24	9,753,633	0.26
<b>Total</b>	<b>4,208,968,437</b>	<b>100.00</b>	<b>3,748,785,077</b>	<b>100.00</b>

As of December 31, 2023, the direct Parent of the Bank is ILC HOLDCO SPA, and the ultimate Parent of the Group is Cámara Chilena de la Construcción A.G.

### Dividends

In accordance with IFRS and the standards issued by the CMF, the Bank records a provision for minimum dividends equivalent to 30% of net profit, which relates to the minimum distribution percentage established by the Public Company Law, unless otherwise determined by the shareholders at the Shareholders' Meeting and the Bank does not record accumulated deficit.

## NOTE 28 – EQUITY, CONTINUED

### Dividends 2023:

At the 102nd Ordinary Shareholders' Meeting held on April 25, 2023, the shareholders approved the immediate distribution of a dividend of \$2.6432072 per share, which will be paid with a debit to profit for the year 2022, amounting to Ch\$14,258,143,412, corresponding to 30% of net profits.

### Dividends 2022:

At the 101st Ordinary Shareholders' Meeting held on April 26, 2022, the shareholders approved the immediate distribution of a dividend of \$2.6432072 per share, which will be paid with a debit to profit for the year 2021, amounting to Ch\$9,908,815,661, corresponding to 30% of net income.

As of December 31, 2023 and 2022, the detail of diluted earnings and basic earnings is as follows:

	<b>As of December 31, 2023 MCh\$</b>	<b>As of December 31, 2022 MCh\$</b>
<b>Profit for the year</b>	<b>54,425</b>	<b>47,527</b>
<b>Attributable to:</b>		
Owners of the Bank	55,409	47,526
Non-controlling interests	(984)	1
Number of shares at year-end	4,208,968,437	3,748,785,077
Earnings per share attributable to owners of the Bank (in Chilean pesos):		
Basic earnings per share	13.16	12.68
Diluted earnings per share	13.16	12.68

## NOTE 28 – EQUITY, CONTINUED

### Other comprehensive income:

Sources of movement in Other Accumulated Comprehensive Income (MCh\$)	Movement during the year (period) in "Other comprehensive income"									
	Items that will not be reclassified subsequently to profit or loss	Other accumulated comprehensive income (loss)	Subtotal	Items that may be reclassified subsequently to profit or loss	Movement in the fair value of financial assets at FVTOCI	Exchange differences on currency translation of foreign operations	Hedge of net investments in foreign operations	Cash flow hedge	Income tax	Subtotal
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Opening balances as of January 1, 2023	-	-	-	-	(7,459)	-	-	9,826	(582)	1,785
Profit (loss) for the year (period)	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year (period)	-	-	-	-	8,086	-	-	(2,445)	(1,612)	4,029
Closing balances as of December 31, 2023	-	-	-	-	627	-	-	7,381	(2,194)	5,814

Sources of movement in Other Accumulated Comprehensive Income (MCh\$)	Movement during the year (period) in "Other comprehensive income"									
	Items that will not be reclassified subsequently to profit or loss	Other accumulated comprehensive income (loss)	Subtotal	Items that may be reclassified subsequently to profit or loss	Movement in the fair value of financial assets at FVTOCI	Exchange differences on currency translation of foreign operations	Hedge of net investments in foreign operations	Cash flow hedge	Income tax	Subtotal
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Closing balances as of December 31, 2021 before restatement as of January 1, 2022	-	-	-	-	-	-	-	-	-	-
First CNC application effects for Banks for fiscal year 2020	-	-	-	-	-	-	-	-	57	57
Effects of the correction of errors	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	(2)	(2)
Opening balances as of January 1, 2022	-	-	-	-	(10,162)	-	-	6,341	1,032	(2,789)
Profit (loss) for the year (period)	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year (period)	-	-	-	-	2,703	-	-	3,485	(1,669)	4,519
Closing balances as of December 31, 2022	-	-	-	-	(7,459)	-	-	9,826	(582)	1,785



## NOTE 29 – CONTINGENCIES AND COMMITMENTS

### Commitments and responsibilities recorded in off-balance sheet accounts:

The Bank records in off-balance sheet accounts the following balances related to commitments or liabilities associated with its line of business:

AMOUNTS FOR VARIOUS CONTINGENT LOANS	As of December 31, 2023 MCh\$	As of December 31, 2022 MCh\$
<b>Guarantor over the collateral</b>	<b>6,010</b>	<b>6,648</b>
Guarantor over the collateral in domestic currency	-	-
Guarantor over the collateral in foreign currency	6,010	6,648
<b>Letters of credit for goods movement transactions</b>	<b>5,809</b>	<b>6,473</b>
<b>Commitments to purchase local currency debt abroad</b>	<b>-</b>	<b>-</b>
<b>Transactions related to contingent events</b>	<b>61,497</b>	<b>48,769</b>
Transactions related to contingent events in domestic currency	58,319	46,489
Transactions related to contingent events in foreign currency	3,178	2,280
<b>Undrawn revolving credit facilities with immediate cancellation</b>	<b>98,108</b>	<b>79,749</b>
Available balance of revolving credit and overdraft facilities agreed in current account - commercial portfolio	65,778	55,948
Available balance of revolving credit facility in credit card – commercial portfolio	11,716	10,105
Available balance of revolving credit and overdraft facilities agreed in current account - consumer portfolio	4,472	3,660
Available balance of revolving credit facility in credit card – consumer portfolio	16,142	10,036
Available balance of revolving credit and overdraft facility agreed in current account - loans and advances to banks portfolio	-	-
<b>Undrawn revolving credit facilities</b>	<b>-</b>	<b>-</b>
Available balance of revolving credit and overdraft facilities agreed in current account - commercial portfolio	-	-
Available balance of revolving credit facility in credit card – commercial portfolio	-	-
Available balance of revolving credit and overdraft facilities agreed in current account - consumer portfolio	-	-
Available balance of revolving credit facility in credit card – consumer portfolio	-	-
Available balance of revolving credit and overdraft facility agreed in current account - loans and advances to banks portfolio	-	-
<b>Other loan commitments</b>	<b>74,105</b>	<b>127,042</b>
Loans for higher education studies Law No. 20.027 (CAE)	74,105	127,042
Other irrevocable loan commitments	-	-
<b>Other contingent loans</b>	<b>29,816</b>	<b>36,619</b>

### Lawsuits and legal proceedings

A first instance judgment was issued and notified in the arbitration lawsuit with Entel, where:

- 1) Entel's claim was accepted, which sentenced the Bank to pay a fine for contract termination of UF16,056,
- 2) Partially upheld the Bank's claim, which ordered Entel to pay damages to the Bank of Ch\$67,816,300. The lawsuit is currently being processed with appeals and complaints.

**NOTE 29 – CONTINGENCIES AND COMMITMENTS, CONTINUED**

As of December 31, 2023 and 2022, the Bank has pending lawsuits against it for claims related to loans and others, most of which, according to the Bank's internal legal function office, do not result in a risk of significant losses. The Bank's subsidiaries do not record any pending lawsuits.

**Guarantees granted for operations**

As of December 31, 2023 and 2022, the Bank and its subsidiaries have no guarantees granted for operations.

**Contingent loans and liabilities**

To satisfy its customers' needs, the Bank assumed several irrevocable commitments and contingent liabilities, although these liabilities could not be recognized in the Balance Sheet, they imply credit risks and are therefore part of the Bank's overall risk.

**Other**

As of December 31, 2023 and 2022, the Bank has no pledges in favor of the Santiago Stock Exchange.

### NOTE 30 – INTEREST INCOME AND EXPENSES

For the years ended December 31, 2023 and 2022, interest income is composed of the following:

Concept	For the years ended December 31,	
	2023	2022
	MCh\$	MCh\$
Commercial loans	205,442	127,371
Mortgage loans	2,949	2,087
Consumer loans	23,749	2,471
Assets for agreements to repurchase and securities lending	-	-
Loans and advances to banks	25	456
Financial debt instruments	430	-
Other financial instruments	15,324	14,034
Financial assets at fair value through other comprehensive income	44,786	33,476
Profit (loss) of accounting hedges of interest rate risk	(3,914)	6,234
<b>Total interest income</b>	<b>288,791</b>	<b>186,129</b>

At year-end, the detail of interest income suspended in the impaired portfolio is as follows:

Concept	For the years ended December 31,	
	2023	2022
	MCh\$	MCh\$
Commercial loans	7,341	5,800
Mortgage loans	43	44
Consumer loans	199	391
<b>Total suspended income</b>	<b>7,583</b>	<b>6,235</b>

For the years ended December 31, 2023 and 2022, the detail of interest expenses is as follows:

**Concept**

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
Deposits and other on-demand liabilities	(25)	-
Deposits and other term deposits	(154,818)	(90,795)
Liabilities for agreements to repurchase and securities lending	-	(636)
Bank borrowings	(22,439)	(7,535)
Debt instruments issued	(16,698)	(13,476)
Other financial liabilities	(427)	(76)
Lease agreement liabilities	(344)	(179)
Regulatory capital financial instruments issued	(4,817)	(4,868)
Profit (loss) of accounting hedges of interest rate risk	(523)	7,981
<b>Total Interest expenses</b>	<b>(200,091)</b>	<b>(109,584)</b>

### NOTE 31 – INDEXATION INCOME AND EXPENSES

For the years ended December 31, 2023 and 2022, indexation income is composed of the following:

Concept	For the years ended December 31,	
	2023	2022
	Indexation MCh\$	Indexation MCh\$
Commercial loans	75,833	182,261
Mortgage loans	3,586	7,592
Consumer loans	1	24
Assets for agreements to repurchase and securities lending	-	-
Loans and advances to banks	-	-
Financial debt instruments	-	-
Other financial instruments	-	8
Financial assets at fair value through other comprehensive income	6,827	8,859
Result of accounting hedges for U.F., AVR and CPI indexation	(3,437)	(31,232)
<b>Total indexation income</b>	<b>82,810</b>	<b>167,512</b>

At year-end, the detail of indexation income suspended in the impaired portfolio is as follows:

Concept	For the years ended December 31,	
	2023	2022
	Indexation MCh\$	Indexation MCh\$
Commercial loans	9,097	9,116
Mortgage loans	305	273
Consumer loans	3	3
<b>Total</b>	<b>9,405</b>	<b>9,392</b>

For the years ended December 31, 2023 and 2022, the detail of indexation expenses is as follows:

Concept	For the years ended December 31,	
	2023	2022
	Indexation Expenses MCh\$	Indexation Expenses MCh\$
Deposits and other on-demand liabilities	-	-
Deposits and other term deposits	(14,676)	(17,720)
Liabilities for agreements to repurchase and securities lending	-	-
Bank borrowings	-	-
Financial debt instruments issued	(39,601)	(102,266)
Other financial liabilities	(68)	(225)
Regulatory capital financial instruments issued	(7,028)	(17,849)
Result of accounting hedges for U.F., AVR and CPI indexation	(96)	1,771
<b>Total indexation expenses</b>	<b>(61,469)</b>	<b>(136,289)</b>

### NOTE 32 – COMMISSION INCOME AND EXPENSES

For the years ended December 31, 2023 and 2022, the Bank records the following fee and commission income and expenses:

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
<b>Commission income and services rendered</b>		
Commissions for loan prepayment	5,859	5,940
Commissions for loans with letters of credit	57	66
Commissions for revolving credit facilities and bank overdrafts in current account	-	-
Commissions for guarantees and letters of credit	146	120
Commissions for credit card services	885	568
Commissions for account management	2,324	1,888
Commissions for collections, recoveries and payments	2,432	1,544
Commissions for securities brokerage and management (Stock Brokers and/or Securities Firms)	-	3
Income from administration of mutual funds, investment funds and other	503	570
Income from insurance brokerage and advisory services	3,300	-
Commissions for factoring operations services	87	95
Commissions for financial leasing operations services	-	-
Commissions for securitizations	-	-
Commissions for financial advisory services	4,605	2,529
Other commissions earned	1,861	1,742
<b>Total commission income and services rendered</b>	<b>22,059</b>	<b>15,065</b>
<b>Commission expenses and services received</b>		
Card transaction fee	(1,638)	(1,370)
License fees for use of card brands	-	-
Other fees for services related to the credit card system and payment cards with provision of funds as a means of payment	-	-
Expenses for loyalty program obligations and merit-based card customer	-	-
Fees for security operations	-	-
Other fees for services received	(16,062)	(8,155)
<b>Total commission expenses and services received</b>	<b>(17,700)</b>	<b>(9,525)</b>

### NOTE 33 – NET FINANCIAL GAIN OR LOSS

As of December 31, 2023 and 2022, the detail of net financial gain or loss is as follows:

	For the years ended December 31,	
	2023	2022
	MCh\$	MCh\$
Gain or loss on financial assets held-for-trading at fair value through profit or loss	22,446	2,744
Gain or loss on financial liabilities held-for-trading at fair value through profit or loss	-	-
Gain or loss on financial assets not held-for-trading mandatorily measured at fair value through profit or loss	101	-
Gain or loss on financial assets designated at fair value through profit or loss	-	(4)
Gain or loss on financial liabilities designated at fair value through profit or loss	-	-
Gain or loss on disposal of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income	22,117	20,570
Gain or loss on foreign currency translation, indexation and accounting hedge	6,792	-
Gain or loss on reclassification of financial assets for foreign currency translation	-	(4,550)
Other gain or loss for modifications of financial assets and liabilities	-	-
Other gain or loss on ineffective accounting hedges	-	-
Other gain or loss on other accounting hedges	-	-
<b>Total</b>	<b>51,456</b>	<b>18,760</b>

**a) Gain or loss on financial assets and liabilities held-for-trading at fair value through profit or loss**

	For the years ended December 31,	
	2023	2022
	MCh\$	MCh\$
Financial derivative contracts	17,680	-
Financial debt instruments	4,766	3,343
Other financial instruments	-	(599)
	<b>22,446</b>	<b>2,744</b>

**b) Gain or loss on financial assets not held-for-trading mandatorily measured at fair value through profit or loss.**

	For the years ended December 31,	
	2023	2022
	MCh\$	MCh\$
Financial derivative contracts	101	-
Other financial instruments	-	-
	<b>101</b>	<b>-</b>

**c) Gain or loss on financial assets measured at fair value through profit or loss.**

	For the years ended December 31,	
	2023	2022
	MCh\$	MCh\$
Financial debt instruments	-	(4)
Other financial instruments	-	-
	<b>-</b>	<b>(4)</b>

**NOTE 33 – NET FINANCIAL GAIN OR LOSS, CONTINUED**

- d)** Gain or loss on disposal of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income.

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
Financial assets at amortized cost	22,117	-
Financial assets at fair value through other comprehensive income	-	20,570
Financial liabilities at amortized cost	-	-
Regulatory capital financial instruments issued	-	-
	<u>22,117</u>	<u>20,570</u>

- e)** Gain or loss on foreign currency translation, indexation and accounting hedge.

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
Gain or loss - exchange rate	6,612	-
Gain or loss on foreign currency indexation	-	-
Net gain or loss on derivatives in accounting hedges of foreign currency risk	180	-
	<u>6,792</u>	<u>-</u>

- f)** Gain or loss on reclassification of financial assets for foreign currency translation.

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
From financial assets at amortized cost to financial assets held for trading at fair value through profit or loss	-	3,536
From financial assets at fair value through other comprehensive income to financial assets held for trading at fair value through profit or loss	-	(8,086)
	<u>-</u>	<u>(4,550)</u>



### NOTE 34 – SHARE OF PROFIT OR LOSS FROM INVESTMENTS IN COMPANIES

As of December 31, 2023 and 2022, the detail of share of profit or loss from investments in companies for each year is as follows:

	<b>For the years ended December 31,</b>	
	<b>2023 MCh\$</b>	<b>2022 MCh\$</b>
Share of profit or loss from investments in other companies	10	7
Share of profit or loss from disposal of interest in companies	-	-
<b>Total</b>	<b>10</b>	<b>7</b>

### NOTE 35 – PROFIT OR LOSS FROM ASSETS HELD-FOR-SALE NOT QUALIFYING AS DISCONTINUED OPERATIONS

The detail of profit or loss for each year is as follows:

	<b>For the years ended December 31,</b>	
	<b>2023 MCh\$</b>	<b>2022 MCh\$</b>
Profit or loss for assets received in lieu of payment or obtained through court-ordered public auction	247	493
Profit or loss for sale of assets received in lieu of payment or obtained through court-ordered public auction	225	-
Other income from assets received in lieu of payment or obtained through court-ordered public auction	(537)	(16)
Provisions for adjustments to net realizable value of assets received in lieu of payments or obtained through court-ordered public auction	(57)	(324)
Write-off of assets received in lieu of payments or obtained through court-ordered public auction	(278)	(228)
Maintenance expenses of assets received in lieu of payments or obtained through court-ordered public auction		
<b>Subtotal:</b>	<b>(400)</b>	<b>(75)</b>
Non-current assets held for sale	-	-
held for sale	-	-
<b>Totals</b>	<b>(400)</b>	<b>(75)</b>

## NOTE 36 – OTHER OPERATING INCOME AND EXPENSES

For the years ended December 31, 2023 and 2022, the movement in other operating income and other operating expenses is as follows:

	For the years ended	
	December 31,	
	2023 MCh\$	2022 MCh\$
<b>Other operating income</b>		
Compensation from insurance companies for claims other than operational risk events	-	-
Net income for investment properties	-	-
Income from card brands issued (VISA, MC etc.)	4	2
Income from correspondent banks	1,447	482
Income other than interest and commissions from lease agreements	-	-
Income from expense recovery	8	44
Other income	3,593	1,509
Income from leasing transactions	1,076	438
Swift income	28	32
Cash Management income	-	-
Threshold interests	-	-
Income from related parties	216	-
<b>Total</b>	<b>6,372</b>	<b>2,507</b>
	For the years ended	
	December 31,	
	2023 MCh\$	2022 MCh\$
<b>Other expenses</b>		
Expense for insurance premiums to cover operational risk events	(1,503)	(210)
Expense for operational risk provisions	301	-
Recoveries of expenses for operational risk events	-	-
Expense for provisions for unaccrued insurance intermediation commissions	-	-
Expense for provisions for unaccrued insurance premiums collection commissions	-	-
Provisions for restructuring plans	-	-
Provisions for lawsuits and trials	-	-
Other provisions for other contingencies	(361)	-
Expenses for financial leasing credit operations	(279)	(50)
Expenses for factoring credit operations	(35)	(38)
Expenses for administration, maintenance and support of automated teller machines (ATM)	-	-
Expenses for adoption of new card technologies	-	-
Expenses for issuance of regulatory capital financial instruments	-	-
Other operating expenses	(414)	(103)
Provision for contingencies	-	(33)
Transactional expense	-	-
Deferred expenses	(564)	(162)
Interests paid on Threshold USD	-	-
Donation expenses	(22)	(22)
Non-recoverable VAT expense	(8)	(33)
<b>Total</b>	<b>(2,885)</b>	<b>(651)</b>

**NOTE 37 – PERSONNEL BENEFITS AND EXPENSES**

For the years ended December 31, 2023 and 2022, the caption personnel benefits and expenses is as follows:

	<b>For the years ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>MCh\$</b>	<b>MCh\$</b>
Expenses for short-term personnel benefits	(28,824)	(22,854)
Expenses for other personnel benefits	(16,450)	(15,441)
Expenses for long-term personnel benefits	-	-
Expenses for personnel termination benefits	(1,167)	(542)
Expenses for payments to personnel based on shares or equity instruments	-	-
Transactions with share-based payments settled in equity instruments	-	-
Transactions with share-based payments settled in cash	-	-
Expenses for defined contribution post-employment benefit plan obligations	-	-
Expenses for defined benefit post-employment plan obligations	-	-
Expenses for other personnel obligations	-	-
Other personnel expenses	(6,137)	(4,317)
<b>Total</b>	<b><u>(52,578)</u></b>	<b><u>(43,154)</u></b>

### NOTE 38 – ADMINISTRATIVE EXPENSES

As of December 31, 2023 and 2022, the details of this item are as follows:

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
<b>Administrative expenses</b>		
Expenses for short-term lease agreements	(9)	-
Expenses for low value lease agreements	-	-
Other expenses for lease agreement liabilities	(991)	(907)
Maintenance and repair of property, plant and equipment	(453)	(294)
Insurance premiums, except to cover operational risk events	(722)	(550)
Office stationery	(212)	(207)
IT and communication expenses	(3,812)	(2,669)
Lighting, heating and other services	(904)	(732)
Surveillance and securities transport services	(10)	(11)
Employee representation and transportation expenses	(461)	(387)
Notarial and legal expenses	(1,567)	(304)
Fees for review and audit of the financial statements by the external auditor	(180)	(1,324)
Fees for advisory and consulting services provided by the external auditor	-	-
Fees for advisory and consulting services provided by other audit firms	(324)	-
Fees for classification of securities	(7)	-
Fees for other technical reports	(96)	(19)
Fines imposed by the CMF	-	-
Fines imposed by other entities	-	-
Other general administrative expenses	(2,428)	(636)
<b>Subtotal</b>	<b>(12,176)</b>	<b>(8,040)</b>
<b>Subcontracted services</b>		
Data processing	(185)	(138)
Technology development, certification and testing services	-	-
Outsourced human resources management and external staffing service	-	-
Tax assessment services	-	-
Call Center service for sales, marketing, quality control and customer service	-	-
External collection service	-	-
External ATM management and maintenance services	-	-
External cleaning service, casino, custody of files and documents, storage of furniture and equipment	(18)	-
Product sales and distribution services	-	-
External credit evaluation service	(133)	-
Other subcontracted services	(3,119)	(1,580)
<b>Subtotal</b>	<b>(3,455)</b>	<b>(1,718)</b>

The increase in the item Other general administrative expenses (in 2023 compared to 2022) corresponds to the expenses of Autofin S.A. acquired in August 2023.

### NOTE 38 – ADMINISTRATIVE EXPENSES, CONTINUED

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
<b>Board of Directors' expenses</b>		
Remunerations to the Board of Directors	(1,127)	(1,020)
Other Board of Directors' expenses	(88)	(118)
<b>Subtotal</b>	<b>(1,215)</b>	<b>(1,138)</b>
<b>Advertising</b>	(1,970)	(658)
<b>Taxes, contributions and other legal duties</b>		
Real estate contribution payments	(525)	(72)
Municipal patents	(656)	(467)
Taxes other than income taxes	(47)	(47)
Regulatory entity inspection contribution	(1,129)	(1,081)
Other legal duties	-	-
<b>Subtotal</b>	<b>(2,357)</b>	<b>(1,667)</b>
<b>Total</b>	<b>(21,173)</b>	<b>(13,221)</b>

### NOTE 39 – DEPRECIATION AND AMORTIZATION

For the years ended December 31, 2023 and 2022, debits to profit or loss for depreciation and amortization are detailed as follows:

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
<b>Depreciation and amortization</b>		
Depreciation of property, plant and equipment	(820)	(903)
Amortization of intangible assets	(1,518)	(1,493)
Amortization and depreciation for lease right-of-use assets	(3,298)	(3,086)
<b>Subtotal</b>	<b>(5,636)</b>	<b>(5,482)</b>
Impairment	-	-
<b>Total</b>	<b>(5,636)</b>	<b>(5,482)</b>

#### NOTE 40 – IMPAIRMENT OF NON-FINANCIAL ASSETS

For the years ended December 31, 2023 and 2022, movements to be recognized in profit or loss for impairment of non-financial assets, are as follows:

	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
<b>Impairment of non-financial assets</b>		
Impairment of investments in companies	-	-
Impairment of intangible assets	-	-
Goodwill due to business combinations	-	-
Other intangible assets arising from business combinations	-	-
Other intangible assets originated separately	-	-
Impairment of property, plant and equipment:		
Impairment of right-of-use assets	-	-
Impairment of leasehold improvements as right-of-use assets	-	-
Other property, plant and equipment	-	-
Impairment of right-of-use other intangible assets	-	-
Impairment of assets for investment properties	-	-
Impairment of assets of revenue from contracts with customers	-	-
Gain from a bargain purchase (*)	5,152	-
<b>Total</b>	<b>5,152</b>	<b>-</b>

(\*) This gain corresponds to the recognition of the bargain purchase gain generated in the business combination for the acquisition of Autofin S.A. (see Note 2, No. 36).

#### NOTE 41 – EXPENSE FOR CREDIT LOSSES

The provision corresponding to the provision for credit risk reported in the Consolidated Statements of Income is as follows:

a)

SUMMARY OF EXPENSE FOR CREDIT LOSSES FOR THE PERIOD	For the years ended December 31,	
	2023 MCh\$	2022 MCh\$
Expense for provisions made for credit risk on loans	(36,943)	(22,388)
Expense (reversal) for special provisions for credit risk	2,546	35
Recovery of written off loans	6,862	2,389
Impairment for credit risk of other financial assets at amortized cost	-	-
Impairment for credit risk of financial assets at fair value through other comprehensive income	(25)	(3)
<b>Totales</b>	<b>(27,560)</b>	<b>(19,967)</b>

## NOTE 41 – EXPENSE FOR CREDIT LOSSES, CONTINUED

b)

SUMMARY OF EXPENSES FOR PROVISIONS MADE FOR CREDIT RISK AND EXPENSES FOR CREDIT LOSSES FOR THE YEAR - AS OF DECEMBER 31, 2023	Normal portfolio Assessment		Expense for provisions made on loans for the year			Subtotal	Deductible guarantee FOGAPE Covid-19	Total
	Collective		Substandard portfolio Assessment	Default portfolio Assessment				
	Individual	Collective	Individual	Individual	Collective			
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Loans and advances to banks:								
Provisions made	-	-	-	-	-	-	-	-
Provisions released	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-
Commercial loans:								
Provisions made	30,224	1,557	4,962	14,774	1,291	52,808	-	52,808
Provisions released	(9,387)	(1,192)	(8,749)	(4,261)	(717)	(24,306)	-	(24,306)
<b>Subtotal</b>	<b>20,837</b>	<b>365</b>	<b>(3,787)</b>	<b>10,513</b>	<b>574</b>	<b>28,502</b>	-	<b>28,502</b>
Mortgage loans:								
Provisions made	-	196	-	-	9	205	-	205
Provisions released	-	(8)	-	-	1	(7)	-	(7)
<b>Subtotal</b>	-	<b>188</b>	-	-	<b>10</b>	<b>198</b>	-	<b>198</b>
Consumer loans:								
Provisions made	-	3,114	-	-	1,838	4,952	-	4,952
Provisions released	-	2,006	-	-	1,285	3,291	-	3,291
<b>Subtotal</b>	-	<b>5,120</b>	-	-	<b>3,123</b>	<b>8,243</b>	-	<b>8,243</b>
Expense for provisions made for credit risk on loans: (A)	<b>20,837</b>	<b>5,673</b>	<b>(3,787)</b>	<b>10,513</b>	<b>3,707</b>	<b>36,943</b>	-	<b>36,943</b>
Recovery of written off loans: (B) (ii)								
Loans and advances to banks	-	-	-	-	-	-	-	-
Commercial loans	(6,006)	-	-	-	-	(6,006)	-	(6,006)
Mortgage loans	-	(367)	-	-	-	(367)	-	(367)
Consumer loans	-	(489)	-	-	-	(489)	-	(489)
<b>Subtotal</b>	<b>(6,006)</b>	<b>(856)</b>	-	-	-	<b>(6,862)</b>	-	<b>(6,862)</b>
Expense for credit losses on loans: (A-B) (ii)	<b>14,831</b>	<b>4,817</b>	<b>(3,787)</b>	<b>10,513</b>	<b>3,707</b>	<b>30,081</b>	-	<b>30,081</b>

SUMMARY OF EXPENSES FOR PROVISIONS MADE FOR CREDIT RISK AND EXPENSES FOR CREDIT LOSSES FOR THE YEAR - AS OF DECEMBER 31, 2022	Normal portfolio Assessment		Expense for provisions made on loans for the year			Subtotal	Deductible guarantee FOGAPE Covid-19	Total
	Collective		Substandard portfolio Assessment	Default portfolio Assessment				
	Individual	Collective	Individual	Individual	Collective			
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Loans and advances to banks:								
Provisions made	-	-	-	-	-	-	-	-
Provisions released	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-
Commercial loans:								
Provisions made	16,725	3,701	3,991	11,468	242	36,127	367	36,494
Provisions released	(6,963)	(530)	(6,072)	(1,210)	(38)	(14,813)	-	(14,813)
<b>Subtotal</b>	<b>9,762</b>	<b>3,171</b>	<b>(2,081)</b>	<b>10,258</b>	<b>204</b>	<b>21,314</b>	<b>367</b>	<b>21,681</b>
Mortgage loans:								
Provisions made	-	83	-	-	99	182	-	182
Provisions released	-	(41)	-	-	(28)	(69)	-	(69)
<b>Subtotal</b>	-	<b>42</b>	-	-	<b>71</b>	<b>113</b>	-	<b>113</b>
Consumer loans:								
Provisions made	-	810	-	-	95	905	-	905
Provisions released	-	(190)	-	-	(121)	(311)	-	(311)
<b>Subtotal</b>	-	<b>620</b>	-	-	<b>(26)</b>	<b>594</b>	-	<b>594</b>
Expense for provisions made for credit risk on loans: (A)	<b>9,762</b>	<b>3,833</b>	<b>(2,081)</b>	<b>10,258</b>	<b>249</b>	<b>22,021</b>	<b>367</b>	<b>22,388</b>
Recovery of written off loans: (B) (ii)								
Loans and advances to banks	-	-	-	-	-	-	-	-
Commercial loans	(2,116)	-	-	-	-	(2,116)	-	(2,116)
Mortgage loans	(139)	-	-	-	-	(139)	-	(139)
Consumer loans	(134)	-	-	-	-	(134)	-	(134)
<b>Subtotal</b>	<b>(2,389)</b>	-	-	-	-	<b>(2,389)</b>	-	<b>(2,389)</b>
Expense for credit losses on loans: (A-B) (ii)	<b>7,373</b>	<b>3,833</b>	<b>(2,081)</b>	<b>10,258</b>	<b>249</b>	<b>19,632</b>	<b>367</b>	<b>19,999</b>

**NOTE 41 – EXPENSE FOR CREDIT LOSSES, CONTINUED**

c)

**SUMMARY OF EXPENSE FOR SPECIAL PROVISIONS FOR  
CREDIT RISK FOR THE PERIOD**

 For the years ended December  
31

	2023 MCh\$	2022 MCh\$
<b>Expense for provisions for contingent loans</b>	<b>2,546</b>	<b>35</b>
Loans and advances to banks	-	-
Commercial loans	-	-
Consumer loans	-	-
Expense for country risk provisions for transactions with debtors domiciled abroad	47	35
Expense for special provisions for foreign loans	-	-
<b>Expense (credit) for additional provisions for loans</b>	<b>2,499</b>	<b>-</b>
Commercial loans	-	-
Mortgage loans	-	-
Consumer loans	2,499	-
Expense for provisions for adjustments to the minimum required provision for normal portfolio with individual assessment	-	-
Expense for other special provisions made for credit risk	-	-

d)

**SUMMARY OF EXPENSE FOR SPECIAL PROVISIONS FOR  
CREDIT RISK FOR THE PERIOD**

 For the years ended December  
31

	2023 MCh\$	2022 MCh\$
<b>Impairment due to credit risk of financial assets at fair value through other comprehensive income</b>	<b>(25)</b>	<b>(3)</b>
<b>Impairment of financial assets without significant increase in credit risk since initial recognition (phase 1)</b>	<b>(25)</b>	<b>(3)</b>
Financial debt instruments issued in the country	(25)	(3)
Financial debt instruments issued abroad	-	-
Loans and advances to banks	-	-
Commercial loans	-	-
Mortgage loans	-	-
Consumer loans	-	-
Other financial instruments	-	-
<b>Impairment of financial assets without a significant increase in credit risk since initial recognition, but without credit impairment (phase 2)</b>	<b>-</b>	<b>-</b>
Financial debt instruments issued in the country	-	-
Financial debt instruments issued abroad	-	-
Loans and advances to banks	-	-
Commercial loans	-	-
Mortgage loans	-	-
Consumer loans	-	-
Other financial instruments	-	-
<b>Impairment of financial assets with credit impairment (phase 3)</b>	<b>-</b>	<b>-</b>
Financial debt instruments issued in the country	-	-
Debt financial instruments issued abroad	-	-
Loans and advances to banks	-	-
Commercial loans	-	-
Mortgage loans	-	-
Consumer loans	-	-
Other financial instruments	-	-



## NOTE 42 – PROFIT OR LOSS ON DISCONTINUED OPERATIONS

As of December 31, 2023 and 2022, the Bank has no operations of this type.

## NOTE 43 – RELATED PARTY DISCLOSURES

Current assets and liabilities with related parties are as follows:

TYPE OF CURRENT ASSETS AND LIABILITIES WITH RELATED PARTIES AS PER IAS 24	Type of related party				
	Parent	Other legal entity	Consolidated key management personnel of the Bank	Other related parties	Total
For the years ended December 31, 2023					
<b>Assets</b>	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Financial assets held-for-trading at fair value through profit or loss	-	-	-	-	-
Financial derivative contracts	-	-	-	-	-
Financial debt instruments	-	-	-	-	-
Financial assets not held-for-trading mandatorily measured at fair value through profit or loss	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	4,209	-	-	4,209
Financial assets at fair value through other comprehensive income	-	-	-	-	-
Derivative instruments for accounting hedge	-	-	-	-	-
Financial assets at amortized cost	-	-	-	-	-
Assets for agreements to repurchase and securities lending	-	-	-	-	-
Financial debt instruments	-	-	-	-	-
Commercial loans	-	110,294	299	-	110,593
Mortgage loans	-	-	1,627	-	1,627
Consumer loans	-	-	159	-	159
Provisions made - Loans	-	(867)	(5)	-	(872)
Other assets	-	-	-	-	-
Contingent loans	6	12,970	468	37	13,481
<b>Total assets</b>	<b>6</b>	<b>126,606</b>	<b>2,548</b>	<b>37</b>	<b>129,197</b>
<b>Liabilities</b>	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Financial liabilities held-for-trading at fair value through profit or loss</b>					
Financial derivative contracts	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	(408)	-	-	(408)
Derivative instruments for accounting hedge	-	-	-	-	-
Financial liabilities at amortized cost	-	-	-	-	-
Deposits and other on-demand liabilities	20	4,862	182	80	5,144
Deposits and other term deposits	3,436	22,927	5,429	673	32,465
Liabilities for agreements to repurchase and securities lending	-	-	-	-	-
Bank borrowings	-	-	-	-	-
Debt instruments issued	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Lease agreement liabilities	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>3,456</b>	<b>27,381</b>	<b>5,611</b>	<b>753</b>	<b>37,201</b>

### NOTE 43 – RELATED PARTY DISCLOSURES, CONTINUED

TYPE OF CURRENT ASSETS AND LIABILITIES WITH RELATED PARTIES AS PER IAS 24	Type of related party				
	Parent Company	Other legal entity	Consolidated key management personnel of the Bank	Other related parties	Total
For the years ended December 31, 2022	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Assets</b>					
Financial assets held-for-trading at fair value through profit or loss	-	-	-	-	-
Financial derivative contracts	-	-	-	-	-
Financial debt instruments	-	-	-	-	-
Financial assets not held-for-trading 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	-	3,853	-	-	3,853
Derivative instruments for accounting hedge	-	-	-	-	-
Financial assets at amortized cost	-	-	-	-	-
Assets for agreements to repurchase and securities lending	-	-	-	-	-
Financial debt instruments	-	-	-	-	-
Commercial loans	2	47,772	192	9,288	57,254
Mortgage loans	-	-	1,518	-	1,518
Consumer loans	-	-	117	2	119
Provisions made - Loans	-	(324)	(14)	(85)	(423)
Other assets	-	-	-	-	-
Contingent loans	25	4,657	320	91	5,093
<b>Total assets</b>	<b>27</b>	<b>55,958</b>	<b>2,133</b>	<b>55</b>	<b>67,414</b>
<b>Liabilities</b>	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Financial liabilities held-for-trading at fair value through profit or loss	-	-	-	-	-
Financial derivative contracts	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	357	-	-	357
Derivative instruments for accounting hedge	-	-	-	-	-
Financial liabilities at amortized cost	-	-	-	-	-
Deposits and other on-demand liabilities	320	3,649	459	116	4,544
Deposits and other term deposits	2,373	4,317	3,987	10,513	21,190
Liabilities for agreements to repurchase and securities lending	-	-	-	-	-
Bank borrowings	-	-	-	-	-
Debt instruments issued	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Lease agreement liabilities	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>2,693</b>	<b>8,323</b>	<b>4,446</b>	<b>10,629</b>	<b>26,091</b>

In accordance with Article 89 of the Public Corporations Law, any transaction with a related party has been performed on an arm's length basis, similar to those normally prevailing in the market.

### NOTE 43 – RELATED PARTY DISCLOSURES, CONTINUED

For the years ended December 31, 2023 and 2022, gain or loss from transactions with related parties are as follows:

TYPE OF CURRENT ASSETS AND LIABILITIES WITH RELATED PARTIES AS PER IAS 24 For the years ended December 31, 2023	Type of related party				Total MCh\$
	Parent	Other Legal Entity (i)	Consolidated key management personnel of	Other related parties (iii)	
	MCh\$	MCh\$	MCh\$	MCh\$	
<b>Interest income</b>	-	7,084	36	4	7,124
Indexation income	-	-	-	-	-
Commission income	-	381	2	-	383
Net financial gain or loss	-	638	-	-	638
Other income	-	-1	-	-	-1
<b>Total income</b>	<b>-</b>	<b>8,102</b>	<b>38</b>	<b>4</b>	<b>8,144</b>
<b>Interest expense</b>	330	1,028	409	63	1,830
Indexation expense	-	-	-	-	-
Fee and commission expense	-	-	-	-	-
Expense for credit losses	-	263	1	-1	263
Personnel benefits and expenses	-	-	-	-	-
Administrative expenses	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Total expenses</b>	<b>330</b>	<b>1,291</b>	<b>410</b>	<b>62</b>	<b>2,093</b>

TYPE OF CURRENT ASSETS AND LIABILITIES WITH RELATED PARTIES AS PER IAS 24 For the years ended December 31, 2022	Type of related party				Total MCh\$
	Parent	Other Legal Entity (i)	Consolidated key management	Other related parties (iii)	
	MCh\$	MCh\$	MCh\$	MCh\$	
<b>Interest income</b>	-	3,546	34	-	3,580
Indexation income	-	-	-	-	-
Commission income	11	205	1	1	218
Net financial gain or loss	-	120	-	-	120
Other income	-	66	-	-	66
<b>Total income</b>	<b>11</b>	<b>3,937</b>	<b>35</b>	<b>1</b>	<b>3,984</b>
<b>Interest expense</b>	223	1,190	285	65	1,763
Indexation expense	-	-	-	-	-
Fee and commission expense	-	-	-	-	-
Expense for credit losses	-	-	-	-	-
Personnel benefits and expenses	-	100	3	-	103
Administrative expenses	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Total expenses</b>	<b>223</b>	<b>1,290</b>	<b>288</b>	<b>65</b>	<b>1,866</b>

i) Refers to the related parties of the bank's parent company, defined in paragraph 19 a of IAS 24.

ii) Refers to other related parties, defined in paragraph 19 b,c,d,e of IAS 24.

iii) Refers to the bank's key management personnel as defined in paragraph 19 f of IAS 24.

iv) Refers to other related parties, as defined in paragraph 19 g of IAS 24.

ii) Refers to the bank's key management personnel according to paragraph 9 d of IAS 24, without including the other related parties defined in paragraph 9 d and e of IAS 24.

iii) Refers to other related parties, as defined in paragraphs 9 d, 9 e, 9 g, 10 and 11 of IAS 24.

### NOTE 43 – RELATED PARTY DISCLOSURES, CONTINUED

Individual transactions during the year with related parties that are legal entities, which do not correspond to normal business transactions performed with customers in general:

As of December 31, 2023 Company	Nature of the relationship with the Bank (i)	Transaction description (ii)			Related party transactions on terms equivalent to those arm's length transactions (iii)	Amount	statement of income (v)		statement of financial position	
		Type of service	Term	Renewal conditions			Income	Expense	Receivab les	Payables
Sonda S.A.	Non-controlling interest	System support and maintenance			Yes	200	-	200	-	-
Sonda S.A.	Non-controlling interest	Licenses lease			Yes	91	-	91	-	-
Sonda Servicio Profesionales S.A.	Non-controlling interest	System support and maintenance			Yes	68	-	68	-	-
Baninter Factoring S. A.	other related parties	Office lease	25 years	Expired term. Automatic annual renewal for 1-year periods	Yes	153	153	-	-	-
Baninter Factoring S. A.	other related parties	Advisory services			Yes	-	-	-	-	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	System support and maintenance	Indefinite		Yes	21	21	-	2	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	Office lease	Indefinite		Yes	8	8	-	1	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	IT equipment leases	Indefinite		Yes	5	5	-	-	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	Support services	Indefinite		Yes	17	17	-	1	-
Baninter Corredores de Seguros Ltda.	subsidiaries	Office lease	Indefinite		Yes	38	38	-	-	-
Baninter Corredores de Seguros Ltda.	subsidiaries	Support services	Indefinite		Yes	25	25	-	-	-
Autofin S.A	subsidiaries	Mutual Fund Investments				3,311	-	210	-	3,311
Autofin S.A	subsidiaries	Bank loans				65,363	2,322	-	65,363	-
Autofin S.A	subsidiaries	Banking Commissions				247	247	-	-	-

As of December 31, 2022 Company	Nature of the relationship with the Bank (i)	Transaction description (ii)			Related party transactions on terms equivalent to those arm's length transactions (iii)	Amount (MCh\$) (iv)	Effect on the statement of income (v)		statement of financial position (vi)	
		Type of service	Term	Renewal conditions			Income MCh\$	Expense MCh\$	Receivab les MCh\$	Payables MCh\$
Sonda S.A.	Non-controlling interest	System support and maintenance	-	-	Yes	81	-	81	-	-
Sonda S.A.	Non-controlling interest	Licenses lease	-	-	Yes	59	-	59	-	-
Sonda Servicio Profesionales S.A.	Non-controlling interest	System support and maintenance	-	-	Yes	60	-	60	-	-
Baninter Factoring S. A.	other related parties	Office lease	25 years	Expired term. Automatic annual renewal for 1-year periods	Yes	152	152	-	-	-
Baninter Factoring S. A.	other related parties	Advisory services	-	-	Yes	-	-	-	-	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	System support and maintenance	Indefinite	-	Yes	19	19	-	2	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	Office lease	Indefinite	-	Yes	7	7	-	1	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	IT equipment leases	Indefinite	-	Yes	4	4	-	-	-
Banco Internacional. Adm. Gral. de Fondos .S.A	subsidiaries	Support services	Indefinite	-	Yes	15	15	-	1	-
Baninter Corredores de Seguros Ltda.	subsidiaries	Office lease	Indefinite	-	Yes	35	35	-	-	-
Baninter Corredores de Seguros Ltda.	subsidiaries	Support services	Indefinite	-	Yes	25	25	-	-	-

i) Refers to related parties that are legal entities and that correspond to the related parties of the bank's Parent Company, as defined in paragraph 19 a) of IAS 24 or of the bank's other related parties as defined in paragraph 19 b, c, d, e, and g of IAS 24.

ii) Description of transactions performed that do not correspond to normal business transactions with customers in general (for example, without credit and debit transactions) and when such contracts are for amounts exceeding UF 2,000. Disclosed in accordance with paragraph 18(b) of IAS 24.

iii) Refers to whether the transaction was performed in accordance with the conditions established in paragraph 23 of IAS 24.

iv) Amount accumulated in the period for transactions performed with the same related party when such contracts are agreed for amounts exceeding UF 2,000.

v) Effect on the Statement of Income for income and expenses during the period.

vi) Effect on the Statement of Financial Position for accounts receivable and payable in the period.

### NOTE 43 – RELATED PARTY DISCLOSURES, CONTINUED

The detail of payments to the Board of Directors and key management personnel of the Bank and subsidiaries is as follows:

<b>Payments to the Board of Directors and key management personnel of the Bank and subsidiaries</b>	<b>For the years ended December 31</b>	
	<b>2023 MCh\$</b>	<b>2022 MCh\$</b>
<b>Board of Directors:</b>		
Payment of Board of Directors' remunerations and fees - Bank and subsidiaries	5,020	3,878
<b>Key management personnel of the Bank and subsidiaries:</b>		
Payment of short-term employee benefits	62	49
Payment of post-employment employee benefits	-	-
Payment of long-term employee benefits	-	-
Payment of personnel termination benefits	48	-
Payments to personnel based on shares or equity instruments	-	-
Payment of defined contribution post-employment benefit plan obligations	-	-
Payment of defined benefit post-employment plan obligations	-	-
Payment of other personnel obligations	-	-
<b>Subtotal - Personnel benefits and expenses</b>	110	49
<b>Total:</b>	<b>5,130</b>	<b>3,927</b>

Composition of the Board of Directors and Key Management Personnel of the Bank and Subsidiaries:

<b>Composition of the Board of Directors and Key Management Personnel of the Bank and Subsidiaries</b>	<b>For the years ended December 31</b>	
	<b>2023 No. of executives</b>	<b>2022</b>
<b>Board of Directors:</b>		
Directors - Bank and subsidiaries	21	14
<b>Key management personnel of the Bank and subsidiaries:</b>		
Chief Executive Officer - Bank	1	1
Chief Executive Officers - Bank subsidiaries	3	2
Division/Area Managers - Bank	15	15
Division/Area Managers - Bank subsidiaries	13	3
<b>Subtotal:</b>	<b>32</b>	<b>21</b>
<b>Total:</b>	<b>53</b>	<b>35</b>

**NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Fair value is defined as the price that would be reached by a financial instrument, at a given time, for exchange between knowledgeable and willing parties in an arm's length transaction. Accordingly, the fair value of a financial instrument should reflect the value that the Bank would receive or pay when trading it in the most advantageous active market.

**Asset-backed securities with no active market**

During the present year, there has been no sufficient trading volume to establish an active market for certain asset-backed securities; accordingly, the Bank has determined the fair value of these asset-backed securities using other valuation techniques. These securities are backed primarily by static pools of residential mortgages and enjoy a preferential claim on cash flows.

The Bank's methodology for valuing these asset-backed securities uses a discounted cash flow technique that takes into account the probability of default and loss severity by considering the original underwriting criteria, attributes of the borrower, LTV ratios, expected home price movements and expected prepayment rates. These characteristics are used to estimate expected cash flows, which are then allocated using the "waterfall" applicable to the security and discounted at a risk-adjusted rate. Market participants often use the discounted cash flow technique to price asset-backed securities. However, this technique is subject to inherent limitations, such as estimating the appropriate risk-adjusted discount rate, and different assumptions and inputs would generate different results.

**OTC structured derivatives**

As part of its trading activities, the Bank enters into over-the-counter structured derivatives (mainly options indexed to credit spreads, equity prices, foreign exchange rates and interest rates) with customers and other banks. Some of these instruments are valued using models with significant unobservable inputs, mainly long-term expected volatilities and expected correlations with different underlyings.

**Measurement based on net risk exposure**

If the Bank measures portfolios of financial assets and financial liabilities on the basis of net exposures to market risks, it then applies its judgment to determine appropriate portfolio-level adjustments, such as bid-ask spreads. These adjustments are derived from observable bid-ask spreads for similar instruments and are adjusted for portfolio-specific factors. Similarly, when the Bank measures portfolios of financial assets and financial liabilities on the basis of net exposure to the credit risk of a particular counterparty, it takes into account any existing arrangements that mitigate the credit risk exposure – e.g. master netting agreements with the counterparty.

**NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED****B. Valuation framework**

The Bank has established a control framework for the measurement of fair values. This framework includes a product control function, which is independent of head office management and reports to the CFO, and has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- observable price verification;
- repeated iterations of model valuations;
- a review and approval process for new models and changes to models involving both the Bank's Product Control and Market Risk;
- quarterly calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes in the fair value measurement of Level 3 instruments compared to the prior month by a committee of the Bank's senior Product Control and Market Risk personnel.

When third-party information, such as broker quotes or pricing services, is used to measure fair value, Product Control assesses and documents the evidence obtained from third parties to support the conclusion that the valuations meet the requirements of IFRS. This includes:

- Verify that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument;
- Understand how fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
- When prices of similar instruments are used to measure fair value, understanding how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- If several quotations have been obtained for the same financial instrument, then understand how the fair value has been determined using those quotations.

**Determination of fair value**

The preparation of this Note is based on the application of the local regulatory guidelines of the CMF and international guidelines according to IFRS 13 "Fair Value Measurement," where the criteria and instructions issued by the CMF prevail.



## NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED

### Determination of fair value, continued

a) Determination of fair value	For the years ended December 31, 2023			For the years ended December 31, 2022		
	Estimated fair value			Estimated fair value		
	Carrying amount MCh\$	Recurring MCh\$	Non- recurring MCh\$	Carrying amount MCh\$	Recurring MCh\$	Non- recurring MCh\$
<b>Assets</b>						
Cash and bank deposits	259,442	259,442	-	145,709	145,709	-
Transactions pending settlement	66,283	66,283	-	32,354	32,354	-
Financial assets held-for-trading at fair value through profit or loss	409,128	409,128	-	529,669	529,847	-
Financial derivative contracts	369,727	369,727	-	509,407	509,585	-
Financial debt instruments	4,437	4,437	-	-	-	-
Other	34,964	34,964	-	20,262	20,262	-
Financial assets not held-for-trading mandatorily measured at fair value through profit or loss	279	279	-	178	178	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	514,707	514,707	-	817,172	817,172	-
Financial debt instruments	514,707	514,707	-	817,172	817,172	-
Other	-	-	-	-	-	-
Derivative instruments for accounting hedge	42,466	42,466	-	34,266	34,266	-
Financial assets at amortized cost	3,451,133	3,656,675	-	2,633,367	2,710,714	-
Assets for agreements to repurchase and securities lending	-	-	-	-	-	-
Debt instruments	165,429	165,429	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers - Commercial	2,965,207	3,092,054	-	2,539,542	2,604,690	-
Loans and advances to customers - Mortgage	99,788	118,356	-	70,672	81,024	-
Loans and advances to customers - Consumer	220,709	280,836	-	23,153	25,000	-
<b>Total</b>	<b>4,743,438</b>	<b>4,948,980</b>	<b>-</b>	<b>4,192,715</b>	<b>4,270,240</b>	<b>-</b>
<b>Liabilities</b>						
Transactions pending settlement	62,509	62,509	-	28,928	28,928	-
Financial liabilities held-for-trading at fair value through profit or loss	334,022	334,022	-	472,732	472,732	-
Financial derivative contracts	334,022	334,022	-	472,732	472,732	-
Other	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Derivative instruments for accounting hedge	54,989	54,989	-	53,609	53,609	-
Deposits and other on-demand liabilities	231,360	231,360	-	175,183	175,183	-
Deposits and other term deposits	1,874,639	1,881,720	-	1,607,169	1,604,226	-
Liabilities for agreements to repurchase and securities lending	-	-	-	-	-	-
Bank borrowings	811,601	845,478	-	579,559	592,244	-
Financial debt instruments issued	986,690	1,013,860	-	905,171	881,958	-
Other financial liabilities	2,663	2,663	-	1,528	1,528	-
Regulatory capital financial instruments issued (subordinated bonds)	154,850	171,789	-	153,220	179,783	-
Lease agreement liabilities	16,318	16,318	-	17,193	17,193	-
<b>Total</b>	<b>4,529,641</b>	<b>4,614,708</b>	<b>-</b>	<b>3,994,292</b>	<b>4,007,383</b>	<b>-</b>

The methods used to estimate the fair value are detailed below:

**Cash, short-term assets and liabilities:** For these types of transactions the fair value is the carrying amount because of the quantitative materiality as well as their nature. These include:

- Cash and bank deposits
- Transactions pending settlement
- Deposits and other on-demand liabilities
- Other financial liabilities

**NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED**

**Loans:** For loans, the fair value was calculated using a discounted cash flow analysis, using a risk-free interest rate. These cash flows are shown net of their allowance for credit loss or impairment. These include loans and advances to customers.

**Medium and long-term liabilities:** For medium and long-term liabilities, the fair value was calculated through discounted cash flows, using an interest rate curve that reflects current market conditions at which the entity's debt instruments are traded.

These include:

- Deposits and other time deposits
- Bank borrowings
- Debt securities issued

**Derivative and non-derivative financial instruments:**

At the date of these Consolidated Financial Statements, Banco Internacional uses market prices preferably, if they do not exist, the prices used for valuation are obtained through rate and price curves according to defined models, generally using models generally accepted by market participants to estimate the price.

IFRS 13 "Fair Value Measurement" establishes a fair value hierarchy that segregates inputs and/or assumptions of valuation techniques used in measuring the fair value of financial instruments. The hierarchy assigns the most significant priority to quoted market price (unadjusted) in active markets for identical assets or liabilities (Level 1) and the less significant priority to valuation techniques using significant unobservable inputs (Level 3 measurements). The three fair value hierarchy levels are the following:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices or internal return rates) or indirectly (i.e. derived from prices or internal return rates of similar instruments). These categories include:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability.
- d) Inputs confirmed by the market.

**Level 3:** These are financial instruments whose fair value is determined using unobservable inputs neither for the asset or liability under analysis, nor for similar instruments. An adjustment to an input that is significant to the entire measurement may result in a fair value measurement classified within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

**NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED**

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which observable market prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in the valuation techniques include benchmark and risk-free interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity prices and equity ratios, and expected price volatilities and correlations.

Valuation techniques are intended to arrive at a measurement of fair value that reflects the price that would be received if the asset would be sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognized valuation models to determine the fair value of simple and common financial instruments, such as interest rate and currency swaps, which use only observable inputs and require little judgment and estimation. Observable prices or model inputs are usually available in the market for listed equity and debt securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for judgment and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable inputs and market prices varies across products and markets and is prone to change based on specific events and general conditions in the financial markets.

For more complex instruments, the Bank uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs in these models may not be observable in the market and may be derived from market prices or rates or estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain structured over-the-counter derivatives, certain loans, securities for which there is no active market and retained interests in securitizations (as discussed below). Valuation models that use significant unobservable inputs require a higher degree of Management judgment and estimation in determining fair value. Management judgment and estimation is generally required in selecting the appropriate valuation model to be used, determining the expected future cash flows of the financial instrument being valued, determining the probability of counterparty default and prepayments, determining expected volatilities and correlations, and selecting appropriate discount rates.

Fair value estimates obtained from the models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Bank believes a third-party market participant would take them into account in pricing a transaction. The fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Bank and the counterparty, where applicable. For measuring derivatives that could change the classification from an asset to a liability or vice versa, e.g. interest rate swaps: fair values take into account both the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) where market participants would take this into account when pricing the derivatives.

## **NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED**

Inputs and model values are calibrated to published historical and forecast data and, where possible, to current or recent observed transactions in different instruments and broker quotes. This calibration process is inherently subjective and produces ranges of possible inputs and fair value estimates. Management uses its judgment to select the most appropriate point in the range.

### **Derivative and non-derivative financial instruments, continued**

The classification per instrument is presented below:

<b>Type of Financial Instrument</b>	<b>Hierarchy Level</b>	<b>Description</b>
Fixed Income Instruments	Level 2	The inputs used are the quotations of financial instruments traded on the stock exchange, from which market curves are modeled.
Inflation Insurance Exchange Insurance Future Arbitrations	Level 2	The inputs used are the data of daily transactions through the information provided by the brokers with which the Bank operates, together with prices obtained from Bloomberg, with which the different valuation curves are modeled.
Swap ICP Cross Currency Swap	Level 2	The inputs used are the daily transaction data provided by the Bank's brokers and the prices obtained from Bloomberg, which are used to model the valuation curve.
Swap Tab	Level 2	The inputs used are the daily transaction data provided by the Bank's brokers and the prices obtained from Bloomberg, which are used to model the valuation curve.

## NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED

A comparative table as of December 31, 2023 and 2023 of Financial Instruments and their hierarchical categories is provided below:

### b) Fair value and fair value hierarchy measurement

	For the years ended December 31, 2023			
	Fair value measurements			
	Total	Prices in active markets for identical assets (level 1)	Other observable significant inputs (level 2)	Unobservable significant inputs (level 3) (*)
MCh\$	MCh\$	MCh\$	MCh\$	
<b>Assets</b>				
Financial assets held-for-trading at fair value through profit or loss	-	-	-	-
Financial derivative contracts	380,141	-	380,141	-
Financial debt instruments	-	-	-	-
Other	-	-	-	-
Financial assets not held-for-trading 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 debt instruments	685,568	-	685,568	-
Other	53,595	-	39,756	13,839
Derivative instruments for hedge accounting	-	-	-	-
<b>Total</b>	<b>1,119,304</b>	<b>-</b>	<b>1,105,465</b>	<b>13,839</b>
<b>Liability</b>				
Financial liabilities held-for-trading at fair value through profit or loss	-	-	-	-
Financial derivative contracts	(373,303)	-	(373,303)	-
Other	(15,750)	-	-	(15,750)
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Derivative instruments for hedge accounting	(17,107)	-	(17,107)	-
<b>Total</b>	<b>(406,160)</b>	<b>-</b>	<b>(390,410)</b>	<b>(15,750)</b>
<b>For the years ended December 31, 2022</b>				
Fair value measurements				
Total	Prices in active markets for identical assets (level 1)	Other observable significant inputs (level 2)	Unobservable significant inputs (level 3)	
MCh\$	MCh\$	MCh\$	MCh\$	
<b>Assets</b>				
Financial assets held-for-trading at fair value through profit or loss	-	-	-	-
Financial derivative contracts	547,497	-	547,497	-
Financial debt instruments	-	-	-	-
Other	-	-	-	-
Financial assets not held-for-trading 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 debt instruments	817,174	-	817,174	-
Other	-	-	-	-
Derivative instruments for hedge accounting	10,155	-	10,155	-
<b>Total</b>	<b>1,374,826</b>	<b>-</b>	<b>1,374,826</b>	<b>-</b>
<b>Liability</b>				
Financial liabilities held-for-trading at fair value through profit or loss	-	-	-	-
Financial derivative contracts	(492,039)	-	-492,039	-
Other	-	-	-	-
Financial liabilities designated at fair value through profit or loss	(42,504)	-	-42,504	-
Derivative instruments for hedge accounting	-	-	-	-
<b>Total</b>	<b>(534,543)</b>	<b>-</b>	<b>(534,543)</b>	<b>-</b>

(\*) Level 3 represents the assets and liabilities arising from the business combination, valued using the Company's own methods.

**NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED**

Note that most of the Derivative Financial Instruments are settled through offsetting, either on its own or through COMDER, which became effective in 2015.

	Fair value in the balance sheet MCh\$	CONTRACTS WITH ISDA		CONTRACTS WITH ISDA AND CSA		Net financial guarantees MCh\$	Net fair value MCh\$
		Contracts at negative value with right to offset MCh\$	Contracts at positive value with right to offset MCh\$	Contracts at negative value with mitigating credit MCh\$	Contracts at positive value with mitigating credit MCh\$		
Assets and liabilities for financial derivative contracts	29,487	(136,492)	194,105	(253,919)	225,793	(32,825)	29,487
<b>For the years ended December 31, 2023</b>	<b>29,487</b>	<b>(136,492)</b>	<b>194,105</b>	<b>(253,919)</b>	<b>225,793</b>	<b>(32,825)</b>	<b>29,487</b>
Assets and liabilities for financial derivative contracts	23,110	(210,042)	246,167	(324,501)	311,485	(12,325)	23,110
<b>For the years ended December 31, 2022</b>	<b>23,110</b>	<b>(210,042)</b>	<b>246,167</b>	<b>(324,501)</b>	<b>311,485</b>	<b>(12,325)</b>	<b>23,110</b>

## NOTE 45 – MATURITIES ACCORDING TO THEIR REMAINING TERMS OF FINANCIAL ASSETS AND LIABILITIES,

For the years ended December 31, 2023	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over five years	Subtotal	Deductible FOGAPE guarantees Covid-19	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Assets</b>										
Cash and bank deposits	259,442	-	-	-	-	-	-	259,442	-	259,442
Transactions pending settlement	66,283	-	-	-	-	-	-	66,283	-	66,283
Financial assets held-for-trading at fair value through profit or loss	166	58,365	46,813	124,447	93,516	41,008	44,813	409,128	-	409,128
Financial derivative contracts	-	23,567	42,376	124,447	93,516	41,008	44,813	369,727	-	369,727
Financial debt instruments	-	-	4,437	-	-	-	-	4,437	-	4,437
Other	166	34,798	-	-	-	-	-	34,964	-	34,964
Financial assets not held-for-trading mandatorily measured at fair value through profit or loss	279	-	-	-	-	-	-	279	-	279
Financial assets designated at fair value through profit or loss □	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	7,570	6,664	132,595	357,289	10,492	97	514,707	-	514,707
Financial debt instruments	-	7,570	6,664	132,595	357,289	10,492	97	514,707	-	514,707
Other	-	-	-	-	-	-	-	-	-	-
Derivative instruments for hedge accounting □	19,330	-	-	30	-	131	22,976	42,466	-	42,466
Financial assets at amortized cost	48,267	178,830	183,289	653,910	657,794	509,373	1,290,050	3,521,513	-	3,521,513
Assets for agreements to repurchase and securities lending	-	-	-	-	-	-	-	-	-	-
Financial debt instruments	-	-	-	165,429	-	-	-	165,429	-	165,429
Loans and advances to banks	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers - Commercial	48,092	178,714	182,811	484,560	630,688	309,806	1,191,152	3,025,824	-	3,025,824
Loans and advances to customers - Mortgage	-	1	-	34	268	1,267	98,437	100,008	-	100,008
Loans and advances to customers - Consumer	175	115	478	3,887	26,838	198,300	461	230,254	-	230,254
<b>Total assets</b>	<b>393,767</b>	<b>244,765</b>	<b>236,766</b>	<b>910,982</b>	<b>1,108,599</b>	<b>561,004</b>	<b>1,357,936</b>	<b>4,813,818</b>	<b>-</b>	<b>4,813,818</b>
<b>Liability</b>										
Transactions pending settlement	62,509	-	-	-	-	-	-	62,509	-	62,509
Financial liabilities held-for-trading at fair value through profit or loss □	(18,089)	26,041	35,179	123,528	85,584	32,532	49,245	334,022	-	334,022
Financial derivative contracts	(18,089)	26,041	35,179	123,528	85,584	32,532	49,245	334,022	-	334,022
Other	-	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Derivative instruments for hedge accounting	19,417	655	113	300	2,121	1,950	30,434	54,989	-	54,989
Financial liabilities at amortized cost	281,880	755,431	353,434	1,108,683	942,695	237,553	227,275	3,906,952	-	3,906,952
Deposits and other on-demand liabilities	231,360	-	-	-	-	-	-	231,360	-	231,360
Deposits and other term deposits	49,641	755,430	331,343	603,649	110,723	18,802	4,960	1,874,639	-	1,874,639
Liabilities for agreements to repurchase and securities lending	-	-	-	-	-	-	-	-	-	-
Bank borrowings	2,542	-	22,091	393,819	393,149	-	-	811,601	-	811,601
Financial debt instruments issued	(1,663)	1	-	111,215	438,648	216,173	222,315	986,690	-	986,690
Other financial liabilities	-	-	-	175	2,488	-	-	2,663	-	2,663
Lease agreement liabilities	16,318	-	-	-	-	-	-	16,318	-	16,318
<b>Total liabilities</b>	<b>362,035</b>	<b>782,127</b>	<b>388,726</b>	<b>1,232,511</b>	<b>1,030,400</b>	<b>272,035</b>	<b>306,954</b>	<b>4,374,790</b>	<b>-</b>	<b>4,374,790</b>
<b>Net balance (Asset - Liability)</b>	<b>31,732</b>	<b>(537,362)</b>	<b>(151,960)</b>	<b>(321,529)</b>	<b>78,199</b>	<b>288,969</b>	<b>1,050,982</b>	<b>439,028</b>	<b>-</b>	<b>439,028</b>

For the years ended December 31, 2022	On- demand	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over five years	Subtotal	Deductible FOGAPE guarantees Covid-19	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Assets</b>										
Cash and bank deposits	145,709	-	-	-	-	-	-	145,709	-	145,709
Transactions pending settlement	32,354	-	-	-	-	-	-	32,354	-	32,354
Financial assets held-for-trading at fair value through profit or loss	<b>262</b>	<b>48,433</b>	<b>59,410</b>	<b>96,118</b>	<b>145,506</b>	<b>53,741</b>	<b>126,377</b>	<b>529,847</b>	-	<b>529,847</b>
Financial derivative contracts	-	28,433	59,410	96,118	145,506	53,741	126,377	509,585	-	509,585
Financial debt instruments	-	-	-	-	-	-	-	-	-	-
Other	262	20,000	-	-	-	-	-	20,262	-	20,262
Financial assets not held-for-trading mandatorily measured at fair value through profit or loss	178	-	-	-	-	-	-	178	-	178
Financial assets designated at fair value through profit or loss □	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	<b>441,620</b>	<b>197,737</b>	<b>78,548</b>	<b>26,191</b>	<b>73,076</b>	-	<b>817,172</b>	-	<b>817,172</b>
Financial debt instruments	-	441,620	197,737	78,548	26,191	73,076	-	817,172	-	817,172
Other	-	-	-	-	-	-	-	-	-	-
Derivative instruments for hedge accounting □	9,884	1,269	3,894	174	1,116	960	16,969	34,266	-	34,266
Financial assets at amortized cost	<b>87,879</b>	<b>183,883</b>	<b>217,312</b>	<b>359,911</b>	<b>347,158</b>	<b>301,790</b>	<b>1,187,357</b>	<b>2,685,290</b>	<b>1,944</b>	<b>2,683,346</b>
Assets for agreements to repurchase and securities lending	-	-	-	-	-	-	-	-	-	-
Financial debt instruments	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers - Commercial	87,821	183,794	217,049	357,734	336,670	289,951	1,117,146	2,590,165	-	2,590,165
Loans and advances to customers - Mortgage	-	-	-	21	352	790	69,636	70,799	-	70,799
Loans and advances to customers - Consumer	58	89	263	2,156	10,136	11,049	575	24,326	-	24,326
<b>Total assets</b>	<b>276,266</b>	<b>675,205</b>	<b>478,353</b>	<b>534,751</b>	<b>519,971</b>	<b>429,567</b>	<b>1,330,703</b>	<b>4,244,816</b>	<b>1,944</b>	<b>4,242,872</b>
<b>Liabilities</b>										
Transactions pending settlement	28,928	-	-	-	-	-	-	28,928	-	28,928
Financial liabilities held-for-trading at fair value through profit or loss □	<b>(9,352)</b>	<b>35,885</b>	<b>55,213</b>	<b>93,132</b>	<b>142,800</b>	<b>80,087</b>	<b>74,968</b>	<b>472,733</b>	-	<b>472,733</b>
Financial derivative contracts	(9,352)	35,885	55,213	93,132	142,800	80,087	74,968	472,733	-	472,733
Other	-	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Derivative instruments for hedge accounting	9,441	19,802	3,531	3,345	8,219	3,327	5,944	53,609	-	53,609
Financial liabilities at amortized cost	<b>202,741</b>	<b>481,548</b>	<b>500,998</b>	<b>783,739</b>	<b>973,518</b>	<b>220,095</b>	<b>105,974</b>	<b>3,268,613</b>	-	<b>3,268,613</b>
Deposits and other on-demand liabilities	175,183	-	-	-	-	-	-	175,183	-	175,183
Deposits and other term deposits	29,003	446,033	303,505	641,493	187,135	1	-	1,607,170	-	1,607,170
securities lending	-	-	-	-	-	-	-	-	-	-
Bank borrowings	1,920	35,505	-	71,568	470,567	-	-	579,560	-	579,560
Financial debt instruments issued	(3,365)	10	197,493	70,678	315,816	218,566	105,974	905,172	-	905,172
Other financial liabilities	-	-	-	-	-	1,528	-	1,528	-	1,528
Lease agreement liabilities	17,193	-	-	-	-	-	-	17,193	-	17,193
<b>Total liabilities</b>	<b>248,951</b>	<b>537,235</b>	<b>559,742</b>	<b>880,216</b>	<b>1,124,537</b>	<b>303,509</b>	<b>186,886</b>	<b>3,841,076</b>	-	<b>3,841,076</b>
<b>Net balance (Asset - Liability)</b>	<b>27,315</b>	<b>137,970</b>	<b>(81,389)</b>	<b>(345,465)</b>	<b>(604,566)</b>	<b>126,058</b>	<b>1,143,817</b>	<b>403,740</b>	<b>1,944</b>	<b>401,796</b>



## NOTE 46 – FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES BY CURRENCY

As of December 31, 2023 and 2022, the breakdown by financial assets and liabilities by currency is as follows:

For the years ended December 31, 2023

Financial assets and liabilities	CLP	UF	USD	EUR	JPY	CHF	GBP	CNY	SEK	CAD	NOK	AUD	MX (*)	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Assets</b>														
Cash and bank deposits	7	127,968	-	125,226	5,711	-	-	147	390	-	-	-	-	259,442
Transactions pending settlement	8	39,683	-	25,440	1,160	-	-	-	-	-	-	-	-	66,283
Financial assets held-for-trading at fair value through profit or loss	8	404,691	-	4,437	-	-	-	-	-	-	-	-	-	409,128
Financial derivative contracts	8	369,727	-	-	-	-	-	-	-	-	-	-	-	369,727
Financial debt instruments	8	-	-	4,437	-	-	-	-	-	-	-	-	-	4,437
Other	9	34,964	-	-	-	-	-	-	-	-	-	-	-	34,964
Financial assets not held-for-trading mandatorily measured at fair value through profit or loss	10	279	-	-	-	-	-	-	-	-	-	-	-	279
Financial assets designated at fair value through profit or loss	11	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	11	514,707	-	-	-	-	-	-	-	-	-	-	-	514,707
Financial debt instruments	11	514,707	-	-	-	-	-	-	-	-	-	-	-	514,707
Other	11	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative instruments for accounting hedge	12	42,466	-	-	-	-	-	-	-	-	-	-	-	42,466
Financial assets at amortized cost	13	3,104,075	99,788	244,688	2,582	-	-	-	-	-	-	-	-	3,451,133
Assets for agreements to repurchase and securities lending	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial debt instruments	13	165,429	-	-	-	-	-	-	-	-	-	-	-	165,429
Loans and advances to banks	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers - Commercial	13	2,717,937	-	244,688	2,582	-	-	-	-	-	-	-	-	2,965,207
Loans and advances to customers - Mortgage	13	-	99,788	-	-	-	-	-	-	-	-	-	-	99,788
Loans and advances to customers - Consumer	13	220,709	-	-	-	-	-	-	-	-	-	-	-	220,709
<b>Total</b>		<b>4,233,869</b>	<b>99,788</b>	<b>399,791</b>	<b>9,453</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,743,159</b>
<b>Liabilities</b>														
Transactions pending settlement	7	33,806	-	28,085	233	-	-	2	383	-	-	-	-	62,509
Financial liabilities held-for-trading at fair value through profit or loss	21	187,903	146,119	-	-	-	-	-	-	-	-	-	-	334,022
Financial derivative contracts	21	187,903	146,119	-	-	-	-	-	-	-	-	-	-	334,022
Other	21	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative instruments for accounting hedge	12	54,989	-	-	-	-	-	-	-	-	-	-	-	54,989
Financial liabilities at amortized cost	22	3,298,809	-	606,634	1,510	-	-	-	-	-	-	-	-	3,906,953
Deposits and other on-demand liabilities	22	209,656	-	20,194	1,510	-	-	-	-	-	-	-	-	231,360
Deposits and other term deposits	22	1,740,733	-	133,906	-	-	-	-	-	-	-	-	-	1,874,639
Liabilities for agreements to repurchase and securities lending	22	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank borrowings	22	359,067	-	452,534	-	-	-	-	-	-	-	-	-	811,601
Financial debt instruments issued	22	986,690	-	-	-	-	-	-	-	-	-	-	-	986,690
Other financial liabilities	22	2,663	-	-	-	-	-	-	-	-	-	-	-	2,663
Lease agreement liabilities	17	16,318	-	-	-	-	-	-	-	-	-	-	-	16,318
Regulatory capital financial instruments issued (subordinated bonds)	23	154,850	-	-	-	-	-	-	-	-	-	-	-	154,850
<b>Total</b>		<b>3,536,836</b>	<b>146,119</b>	<b>634,719</b>	<b>1,743</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,474,652</b>

## NOTE 46 – FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES BY CURRENCY, CONTINUED

For the years ended December 31, 2022

<b>Financial assets and liabilities</b>	CLP	UF	USD	EUR	JPY	CHF	GBP	CNY	SEK	CAD	NOK	AUD	MX (*)	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Assets</b>														
Cash and bank deposits														
Transactions pending settlement	73,590	-	68,979	3,066	-	-	73	1	-	-	-	-	-	145,709
Financial assets held-for-trading at fair value through profit or loss	18,344	-	13,464	546	-	-	-	-	-	-	-	-	-	32,354
Financial derivative contracts	363,787	166,061	-	-	-	-	-	-	-	-	-	-	-	529,848
Financial debt instruments	343,524	166,061	-	-	-	-	-	-	-	-	-	-	-	509,585
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not held-for-trading mandatorily measured at fair value through	20,262	-	-	-	-	-	-	-	-	-	-	-	-	20,262
Financial assets designated at fair value through profit or loss	178	-	-	-	-	-	-	-	-	-	-	-	-	178
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial debt instruments	678,881	138,291	-	-	-	-	-	-	-	-	-	-	-	817,172
Other	678,881	138,291	-	-	-	-	-	-	-	-	-	-	-	817,172
Derivative instruments for accounting hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost	34,266	-	-	-	-	-	-	-	-	-	-	-	-	34,266
Assets for agreements to repurchase and securities lending	937,201	1,538,452	200,732	8,905	-	-	-	-	-	-	-	-	-	2,685,290
Financial debt instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers - Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers - Mortgage	912,975	1,467,650	200,635	8,905	-	-	-	-	-	-	-	-	-	2,590,165
Loans and advances to customers - Consumer	-	70,799	-	-	-	-	-	-	-	-	-	-	-	70,799
	24,226	3	97	-	-	-	-	-	-	-	-	-	-	24,326
<b>Total</b>	<b>2,106,069</b>	<b>1,842,804</b>	<b>283,175</b>	<b>12,517</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,244,639</b>
<b>Liabilities</b>														
Transactions pending settlement														
Financial liabilities held-for-trading at fair value through profit or loss	14,755	-	13,628	546	-	-	-	-	-	-	-	-	-	28,929
Financial derivative contracts	346,620	126,112	-	-	-	-	-	-	-	-	-	-	-	472,732
Other	346,620	126,112	-	-	-	-	-	-	-	-	-	-	-	472,732
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative instruments for accounting hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities at amortized cost	53,609	-	-	-	-	-	-	-	-	-	-	-	-	53,609
Deposits and other on-demand liabilities	1,790,860	1,085,837	389,147	2,767	-	-	-	-	-	-	-	-	-	3,268,611
Deposits and other term deposits	135,027	7,994	29,583	2,579	-	-	-	-	-	-	-	-	-	175,183
Liabilities for agreements to repurchase and securities lending	1,255,252	237,070	114,848	-	-	-	-	-	-	-	-	-	-	1,607,170
Bank borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial debt instruments issued	334,655	-	244,716	188	-	-	-	-	-	-	-	-	-	579,559
Other financial liabilities	65,926	839,245	-	-	-	-	-	-	-	-	-	-	-	905,171
Lease agreement liabilities	-	1,528	-	-	-	-	-	-	-	-	-	-	-	1,528
Regulatory capital financial instruments issued (subordinated bonds)	17,193	-	-	-	-	-	-	-	-	-	-	-	-	17,193
	-	153,220	-	-	-	-	-	-	-	-	-	-	-	153,220
<b>Total</b>	<b>2,169,428</b>	<b>1,365,169</b>	<b>402,775</b>	<b>3,313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,940,685</b>

MX (\*) : Corresponds to foreign currencies other than those presented in the note.

## NOTE 46 – FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES BY CURRENCY, CONTINUED

As of December 31, 2023 and 2022, the breakdown by non-financial assets and liabilities by currency is as follows:

**For the years ended December 31, 2023**

Non-financial assets and liabilities		CLP	UF	USD	EUR	JPY	CHF	GBP	CNY	SEK	CAD	NOK	AUD	MX (*)	Total
		MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Investments in companies	14	228	-	-	-	-	-	-	-	-	-	-	-	-	228
Intangible assets	15	20,365	-	-	-	-	-	-	-	-	-	-	-	-	20,365
Property, plant and equipment	16	2,285	-	-	-	-	-	-	-	-	-	-	-	-	2,285
Right-of-use assets under lease agreements	17	22,047	-	-	-	-	-	-	-	-	-	-	-	-	22,047
Current tax	18	2,068	-	-	-	-	-	-	-	-	-	-	-	-	2,068
Deferred taxes	18	28,819	-	-	-	-	-	-	-	-	-	-	-	-	28,819
Other assets	19	172,280	-	-	-	-	-	-	-	-	-	-	-	-	172,280
Non-current assets held for sale	20	18,652	-	-	-	-	-	-	-	-	-	-	-	-	18,652
<b>Total</b>		<b>266,744</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>266,744</b>
Provisions	24	5,488	-	-	-	-	-	-	-	-	-	-	-	-	5,488
Provisions for dividends and payment of interest	25	16,623	-	-	-	-	-	-	-	-	-	-	-	-	16,623
Additional allowance for credit risk	26	24,959	-	-	-	-	-	-	-	-	-	-	-	-	24,959
Current tax	18	23	-	-	-	-	-	-	-	-	-	-	-	-	23
Deferred taxes	27	3,606	-	-	-	-	-	-	-	-	-	-	-	-	3,606
Other liabilities	20	90,249	-	-	-	-	-	-	-	-	-	-	-	-	90,249
Liabilities included held-for-sale		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>140,948</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>140,948</b>

**For the years ended December 31, 2022**

Non-financial assets and liabilities		CLP	UF	USD	EUR	JPY	CHF	GBP	CNY	SEK	CAD	NOK	AUD	MX (*)	Total
		MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Investments in other companies		228	-	-	-	-	-	-	-	-	-	-	-	-	228
Intangible assets		13,641	-	-	-	-	-	-	-	-	-	-	-	-	13,641
Property, plant and equipment		2,247	-	-	-	-	-	-	-	-	-	-	-	-	2,247
Right-of-use assets under lease agreements		22,797	-	-	-	-	-	-	-	-	-	-	-	-	22,797
Current tax		17,464	-	-	-	-	-	-	-	-	-	-	-	-	17,464
Deferred taxes		36,767	-	-	-	-	-	-	-	-	-	-	-	-	36,767
Other assets		43,969	320	46,669	-	-	-	-	-	-	-	-	-	-	90,958
Assets held for sale		15,034	-	-	-	-	-	-	-	-	-	-	-	-	15,034
<b>Total</b>		<b>152,147</b>	<b>320</b>	<b>46,669</b>	-	-	-	-	-	-	-	-	-	-	<b>199,136</b>
Provisions		2,555	-	-	-	-	-	-	-	-	-	-	-	-	2,555
Provisions for dividends and payment of interest		14,258	-	-	-	-	-	-	-	-	-	-	-	-	14,258
Additional allowance for credit risk		24,722	-	-	-	-	-	-	-	-	-	-	-	-	24,722
Current tax liabilities		12,541	-	-	-	-	-	-	-	-	-	-	-	-	12,541
Deferred taxes		3,761	-	-	-	-	-	-	-	-	-	-	-	-	3,761
Other liabilities		33,885	1,252	34,277	-	-	-	-	-	-	-	-	-	-	69,414
Liabilities included held-for-sale		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>91,722</b>	<b>1,252</b>	<b>34,277</b>	-	-	-	-	-	-	-	-	-	-	<b>127,251</b>

MX (\*) : Corresponds to foreign currencies other than those presented in the note.

**NOTE 47 – MANAGEMENT AND RISK REPORTING**

The Bank's Board of Directors is responsible for approving the policies and establishing the appropriate structure for an efficient management of the different risks faced by the Bank as a result of its activities. The Board of Directors is permanently informed of the main aspects of the Bank's risks.

Risk management at Banco Internacional is divided into three areas: Credit, Operational and Financial Risk (including Market and Liquidity Risk)

**1) Credit Risk**

Credit risk is the risk of loss to the Bank if a loan customer or counterparty to a financial instrument fails to meet its contractual obligations. In other words, it is the possibility of not recovering part or all of a loan or an assumed position, under the conditions agreed.

The Bank manages the credit risk through a set of tools including policies, procedure manuals, models, follow-up and control variables, behavior monitoring, etc. This is part of a strategy including the appetite for defined and limited risk, and sound and prudent risk acceptance criteria. In this sense, limits and differentiated models are established based on the customers' characteristics and the environment in which it operates.

**a) Credit risk management structure**

The Bank has structured its credit approval procedure based on personal and non-delegable credit powers granted by the Board of Directors. Based on these credit powers, transactions are approved at the different Management levels, always requiring the participation of at least two executives with sufficient credit powers to approve the risk proposed, and one of these must be a representative of the Risk Management.

Management's highest level of approval corresponds to the Divisional Level, while the Bank's highest level of approval corresponds to the Senior Credit Committee, an instance in which members of the Bank's Board of Directors participate, who must unanimously agree with the proposed resolution.

**b) Allowance for credit losses**

According to that indicated by the Financial Market Commission, banks must permanently assess their loan and contingent loan portfolios in order to establish timely and sufficient provisions to cover possible losses, in accordance with the standards issued by the Financial Market Commission contained in Circular B1, regarding allowance for credit losses.

**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED**

The Bank has a methodology for the assessment and classification of the individual portfolio, and models for the collective portfolio, that are applied based on the type of portfolio and operations. These methods are duly documented and have been approved by the Board of Directors, which receives yearly reports on the adequacy of allowances.

**c) Methods based on the individual analysis of debtors**

Because of the characteristics defined for the target market and the size of the loan portfolio, Risk Management has opted to improve a methodology focused on the debtors' individual analysis.

This methodology focuses on achieving an operation and risk taking focused on the simultaneous existence of two pillars in each of our credit decisions: Reasonable payment capacity and appropriate creditworthiness. In order to determine that indicated above, the analysis assesses aspects such as the past and forecast financial situation of debtors, payment behavior, knowledge and experience of the partners and management in the business, their degree of commitment to the company, as well as the industry in which the company operates and the relative position of the company, among others.

**2) Operational Risk**

The operational risk is the risk of losses resulting from inadequate or failure in processes, personnel and systems or due to external events. Such definition includes legal risk but excludes strategic and reputation risks.

Operational risk exists in a certain way in each of the business and support activities of the Bank and its Subsidiaries, and can result in financial losses and regulatory sanctions.

**a) Operational risk management**

Operational risk management is an ongoing and cross-cutting process to the organization performed by people at all levels within the Bank and its Subsidiaries. The process is designed to identify, assess, mitigate, monitor and report current and potential risks and events, as well as provide reasonable assurance to the Board of Directors and Senior Management of the Bank's exposure and operational risk management status.

**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED****b) Operational Risk Committee**

The Committee, composed of three Bank's Directors, the Chief Executive Officer, the Manager of the Operational Risk Division, the Manager of the Operations Division, the Manager of the Systems and Technology Division, the Manager of the People and Organization Division, and the Manager of the Legal Services Division, has the objective of becoming aware of the Bank's level of exposure to Operational Risk, both at a global level and in its different lines of business and Subsidiaries, as well as of the action plans adopted and their degree of implementation, in each of the following matters: (i) risk in processes, projects, new products and/or services, (ii) business continuity, (iii) management of strategic services, and (iv) information security.

The Committee looks to guarantee that the strategy, methodology and plans defined ensure the Bank's standing in the long term, avoiding risk factors that may endanger the continuity of the Bank and its Subsidiaries, complying with the risk appetite and tolerance framework defined.

**c) Business Continuity Committee**

It is a Management Committee, which is defined as the highest management instance in the event of possible continuity incidents or the materialization of operational risk events affecting Banco Internacional or its subsidiaries, which require cross-delegation and integrated coordination, both internal and external, for a limited but uncertain time, and with a high impact on the normal performance of daily activities.

This Committee, in the exercise of its functions, shall have the broadest powers for the fulfillment of its objectives. In this regard, it may request from all areas or Divisions of the Bank, all the information it may require for such purpose, during the period of the contingency.

**d) Information Security and Cybersecurity**

Banco Internacional has placed special relevance on these matters, for which it has an Information Security Policy that includes all management aspects for the use and support of information, guidelines to implement backups at system and transaction level, which is duly approved by the Board of Directors.

The management of information security and cybersecurity is a mandatory subject of the Operational Risk Committee, both for the analysis of incidents and for monitoring the results of the implementation of the actions agreed within the framework of the implementation of the security and cybersecurity strategy, and of the focuses of attention that are annually reviewed and defined.

**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED**

This plan is based on preventive management of the risks to which the Bank is exposed, and is implemented together with an investment plan in technology and systems, which ensures the maintenance of high security standards in the software life cycle and security tools and protocols at the level of the entire technology infrastructure. In addition, it is supplemented by an awareness and culture plan, which includes permanent tests and dissemination activities for the entire organization, all of which are monitored and reported to the Committee.

Banco Internacional and its subsidiaries have insurance coverage against damages to themselves and third parties as a result of a cybersecurity incident, which is reviewed and renewed annually.

**e) Business continuity**

A fundamental pillar of the operational risk management strategy considers preventive management to mitigate the impact that operational risk incidents may have on continuity. Accordingly, business continuity plans (BCP) have been defined and developed for critical processes, which consider scenarios that safeguard information assets, the safety of people and ensure knowledge of alternative plans in the event of disasters or failures at the level of systems or critical service providers. This business continuity plan responds to a governance structure that is centralized by the (i) Operational Risk Committee, (ii) Business Continuity Committee, (iii) Business Continuity Policy, (iv) Continuity Plans, (v) Business Impact Analysis (BIA), and (vi) Risk Identification and Assessment (RIA).

Complementary to the business continuity plan, there is a testing program, which establishes the minimum activities and resources necessary to operate in a contingency, which is also accompanied by the disaster recovery plan (DRP), which also includes a testing program, led by the Technology and Systems team, in order to mitigate the contingency at the level of the technology infrastructure for the Bank and its subsidiaries.

**3) Market Risk**

Market risk arises from the probability of losses due to adverse price developments in the financial markets in which the Bank has chosen to participate. This risk arises from the possibility that expectations about future price developments (interest, indexation and/or exchange rate) do not match actual evolution when there is an open position in the market, which has an adverse impact on profit or loss. Market risk includes:

**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED**

- **Interest rate risk:** the exposure to losses caused by adverse changes in market interest rates affecting the value of instruments, contracts and other transactions recorded in the balance sheet.
- **Currency risk:** exposure to losses arising from adverse changes in the value in domestic currency or foreign currency in which instruments, contracts and other operations are expressed in the balance sheet.
- **Indexation risk:** the exposure to losses caused by adverse changes in the indexation units or indexes defined in local currency in which the instruments, contracts and other transactions recorded in the balance sheet are expressed.

For the measurement and control of market risks in the trading and banking books, Banco Internacional uses internal methodologies; Value at Risk (VaR) for trading and sensitivity of value and net interest margin for banking. However, for regulatory purposes, the Bank reports all its market risk figures based on the methodologies defined by the Central Bank of Chile and the Financial Market Commission, which implies that these indicators are reported and analyzed on an ongoing basis.

**a) Regulatory model**

The measurement of market risk differentiates the Bank's activities by separating assets and liabilities in the Balance Sheet into those directly related to trading activities (Trading Book) and the usual activities of banking management or those of a more structural origin, such as loans and deposits (Banking Book).

**Trading Book:** comprises all positions in derivative financial instruments that have not been designated for accounting purposes as hedging instruments and positions in non-derivative financial instruments classified for accounting purposes as “trading securities.”

**Trading securities:** corresponds to those instruments that do not record restrictions of any nature that may prevent them from being traded and which: (i) are held in portfolio to be traded in the short term for the purpose of obtaining gains from arbitrage or expected fluctuations in market prices or rates; or (ii) are part of a portfolio of instruments that are actively and frequently traded by the Bank.

**The Banking Book:** comprises all those positions in derivative and non- derivative financial instruments that are not included in the Trading Book.



**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED**

The standard model for the Trading Book provides a measure of the change in the Present Value of the portfolio compared to changes in the interest rate, whereas for the Banking Book it provides a measure of sensitivity associated with the interest margin for the short term and of the economic value for the long term.

The standard Trading Book model incorporates the Market Risk Exposure of:

- Trading book interest rate risk exposure
- Balance Sheet currency risk exposure

While the standard Banking Book model separates cash flows at short term (positions up to 1 year) and long term (includes all positions). Short-term risk exposure includes:

- Banking book short-term interest rate risk exposure
- Banking book inflation-indexation risk exposure
- Lower commission income sensitive to banking book interest rates

**b) Internal Methodology - Value at Risk (VaR)**

Value at Risk (VaR), or risk valuation, stems from the need to quantify with a certain level of significance or uncertainty the amount or percentage of maximum loss that a portfolio will face in a predefined period of time (Jorion 2000, Penza and Bansal 2001, Best 1998, and Dowd 1998). Its measurement has statistical foundations and the industry standard is to calculate VaR with a significance level of 1%. This means that only 1% of the time, or 1 in 100 times the portfolio return will fall more than the VaR indicates, related to the expected return.

Banco Internacional uses the "Historical Simulation" method to calculate VaR. This method uses current historical data to predict the returns of risk factors instead of assuming that the returns of these factors have a normal distribution; this model is characterized by the non-linearity of the instruments that make up a portfolio. In addition, it has total history dependence and there are no additional assumptions regarding the behavior of the risk factors.

Banco Internacional calculates the VaR on a daily basis, taking into account the following parameters:

- Reliance level: 99%
- Maintenance horizon: 1 day.
- Sample size: 250 moving days

**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED****c) Internal Methodology – Stress Testing**

The Bank performs a daily sensitivity analysis to measure the market risk of the Banking Book relating to net interest margin sensitivity (short-term) and economic value sensitivity (long-term).

- Sensitivity of net interest margin (short-term): Seeks to quantify the impact on the net interest margin, over a 12-month horizon, in the event of a change in the level of interest rates of 100 bp
- Economic value sensitivity (long-term): Seeks to assess the impact of a 100 bp shock in interest rates on the economic value of the Bank's equity.

The simulated rate scenario considers simultaneous movements in the nominal, real and foreign currency curves.

**d) Internal Methodology - Stress Testing, continued**

For market risk, the objective of stress testing is to estimate the potential impact on the Bank's profitability and solvency resulting from extreme but reasonable fluctuations in the set of financial variables, with the ultimate purpose of assessing its vulnerability or resilience to such events.

Considering the type of business in which Banco Internacional participates and the profile of authorized investments, tests are performed through the application of historical and hypothetical scenarios, analyzing the rate movements observed in the market, performing differentiation of the tests and analysis by family of risk factors. The risk factors considered are: (i) interest rate, (ii) adjustment, and (iii) exchange rate. In the case of exchange rate sensitivity analysis, it is only applied to the exposure of mismatch in U.S. dollars, considering the low materiality that Banco Internacional has in its positions in other currencies. For the interest rate analysis, the impact on the banking book and trading book was separated, and the latter was broken down into the impact on derivative and non-derivative instruments.

Tests to be performed are the following:

**Test 1:** Consensus Trading Book Shock Analysis of Interest Rate, parallel shocks in interest rate curves between 100 and 400 bp

**Test 2:** Consensus Banking Book Shock Analysis of Interest Rate, parallel shocks in interest rate curves between 220 and 440 bp

**Test 3:** Exchange Rate Sensitivity Analysis, twice the average of the maximum exchange rate variations

**Test 4:** Sensitivity Analysis Adjustment, three times the maximum expected error in inflation expectations

## NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED

The Bank performs stress tests on a monthly basis, according to the scenarios described above. The impact of stress test results on the Adjusted Basel Ratio is measured.

As of December 31, 2023 and 2022, the following is the exposure to trading book interest rate risk and currency risk for the entire balance sheet, regulatory file C41:

<b>Interest Rate Risk in the Trading Book Dec 2023 (MCh\$)</b>		<b>Interest Rate Risk in the Trading Book Dec 2022 (MCh\$)</b>	
Trading interest rate risk	11,966	Trading interest rate risk	12,750
Currency risk in BS	212	Currency risk in BS	320
Total risk	12,178	Total risk	13,070
Regulatory limit	20,000	Regulatory limit	20,000
<b>Surplus over regulatory limit</b>	<b>7,822</b>	<b>Surplus over regulatory limit</b>	<b>6,930</b>

(\*) C41 is being replaced by R07, when a year/year comparison is available, R07 will be shown.

As of December 31, 2023 and 2022, the following is the exposure to Short and long-term Banking book interest rate risk regulatory file C40:

For the years ended December 31, 2023

<b>Interest Rate Risk in the Banking Book Dec 2023 (MCh\$)</b>	
Short-term interest rate risk	9,807
Fluctuation risk	12,102
Total short-term risk	21,909
Short-term limit (60% Margin)	38,517
<b>Surplus over regulatory limit</b>	<b>16,608</b>
Long-term interest rate risk	45,321
Long-term limit (30% Effective equity)	85,208
<b>Surplus over regulatory limit</b>	<b>39,887</b>

For the years ended December 31, 2022

<b>Interest Rate Risk in the Banking Book Dec 2022 (MCh\$)</b>	
Short-term interest rate risk	14,420
Fluctuation risk	1,001
Total short-term risk	15,421
Short-term limit (60% Margin)	51,348
<b>Surplus over regulatory limit</b>	<b>35,927</b>
Long-term interest rate risk	41,449
Long-term limit (30% Effective equity)	76,313
<b>Surplus over regulatory limit</b>	<b>34,863</b>

Calculation according to the standard methodology of Annex 1.1 of Chapter III.B.2 of the Compendium of Financial Standards of the Central Bank.

As of December 31, 2023, the following is the exposure to Short-term Banking book interest rate risk regulatory file R13:

<b>Interest Rate Risk in the Banking Book Dec 2023 (MCh\$)</b>	
Short-term interest rate risk	9,870
Fluctuation risk	12,974
Total short-term risk	22,845
Short-term limit (40% Margin)	44,016
<b>Surplus over regulatory limit</b>	<b>21,171</b>

Economic Value Impact	21,507
Limit (15% Equity N1)	50,578
<b>Surplus over regulatory limit</b>	<b>29,072</b>

Calculation according to standard methodology of Annex 1 of RAN Chapter 21-13 Consolidated basis

**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED****4) Liquidity risk**

The liquidity management policy and models seek to ensure, even in the face of unexpected events, the Bank's ability to adequately meet its short-term obligations. With regard to this, the Bank has continuously monitored the impact of recent events in the financial markets, introducing more conservative assumptions when warranted. The model has four core elements:

- Existence of a minimum barrier of liquid assets to cope with stress situations
- Regulatory and internal liquidity indicators
- Term mismatch
- Alert and contingency plans

Liquidity management and financing are performed by the Finance Division in accordance with practices and limits reviewed regularly by the Assets and Liabilities Committee and authorized by the Board of Directors.

The Bank has internally established explicit minimum limits to the level of liquidity, parallel to the technical reserve limits, to which financing stress simulations are regularly performed for current account balances and deposits, the Bank's main sources of liquidity, within a framework of regular evaluation of additional financing needs in the event of liquidity tightness, together with a monitoring of the market situation. Accordingly, thanks to the periodic generation, projection, evaluation and analysis of liquidity stress scenarios, the anticipation of future difficulties is facilitated and the agile and reliable management of preventive actions in the face of unfavorable scenarios is strengthened.

At the regulatory level, liquidity is measured and reported to the CMF through standardized liquidity reports, in accordance with banking regulations.

The Bank has established stringent limits committing to maintain a significant amount of liquid assets in its Consolidated Statement of Financial Position, which in case of any unexpected requirement could generate liquidity through repurchase agreements with the Central Bank of Chile. The counter-cyclical nature of this liquidity reserve is in line with the spirit of the latest recommendations proposed by Basel.

In both internal and regulatory liquidity measurements, reasonable liquidity levels were observed in accordance with the Bank's policies.

## NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED

### 4) Liquidity risk, continued

Lastly, and based on an ongoing oversight, the Bank reviews all the aspects of the Liquidity Management in the light of potential risks to which it is exposed on this matter. The liquidity contingency planning is an integral component of this review and its purpose is to provide a framework that allows establishing appropriate actions in case of a liquidity crisis. For this purpose, the Bank has a “Liquidity Contingency Plan” which is reviewed and approved annually by the Board of Directors.

As of December 31, 2023 and 2022, the liquidity position was as follows:

#### For the years ended December 31, 2023

##### CONSOLIDATED MATURITY MISMATCH AS OF 12.31.2023 (C46)

Adjusted base (amounts in MCh\$)

	Basic capital				337,190
Consolidated currency	7 days	15 days	30 days	90 days	
Outflows	447,618	194,729	209,953	762,022	
Inflows	762,367	201,030	184,966	493,939	
Mismatch	314,749	6,301	(24,987)	(268,083)	
Foreign currency	7 days	15 days	30 days (*)	90 days	
Outflows	73,748	46,925	27,893	75,634	
Inflows	220,722	47,237	38,720	70,435	
Mismatch	146,974	312	10,827	(5,199)	
Mismatch subject to 30 days limit			158,113	152,914	
<b>Surplus over regulatory limit</b>			<b>147% *</b>		

**NOTE 47 – MANAGEMENT AND RISK REPORTING, CONTINUED**

**4) Liquidity risk, continued**

**For the years ended December 31, 2022**

**CONSOLIDATED MATURITY MISMATCH AS OF 12.31.2022 (C46)**

Contractual base (amounts in MCh\$)

		<b>Basic capital</b>		<b>265,654</b>	
<b>Consolidated currency</b>	<b>7 days</b>	<b>15 days</b>	<b>30 days</b>	<b>90 days</b>	
Outflows	563,317	209,834	289,369	669,166	
Inflows	575,511	205,344	442,620	492,834	
Mismatch	12,194	- 4,490	153,250	- 176,332	
<b>Foreign currency</b>	<b>7 days</b>	<b>15 days</b>	<b>30 days</b>	<b>90 days</b>	
Outflows	129,052	30,742	64,521	53,308	
Inflows	171,412	41,719	80,890	97,461	
Mismatch	42,360	10,976	16,368	44,153	
Mismatch subject to 30 days limit			69,705	113,858	
<b>Surplus over regulatory limit</b>			<b>126% *</b>		

\*Limit of one time the Basic Capital for mismatch of expenses minus revenue

**NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY RATIOS**

The Bank has a Planning and Management Division, responsible for the permanent monitoring and control of capital adequacy. This unit is responsible for ensuring capital levels that allow for sustained and profitable growth of the business units. All relevant aspects of capital management are contained in the Capital Management Policy, which includes an internal capital adequacy assessment process, definition of standards for performing stress tests and calculation of regulatory and internal capital.

In accordance with the General Banking Law, the Bank should maintain a minimum ratio of effective equity to risk-weighted consolidated assets of 8%, net of provisions required, and a minimum ratio of common equity to risk-weighted assets of 4.5%, and to total consolidated assets of 3%, net of provision required.

For these purposes, the effective equity is determined from the capital and reserves or common equity with the following adjustments:

- a) Non-maturity bonds and/or preferred shares that meet the requirements and conditions of RAN 21--2, if any, are added.
- b) Subordinated bonds that meet the requirements established in RAN 21--3 are added, with a cap of 50% of the Common Equity.
- c) Additional provisions are added with a cap of 1.25% of credit risk-weighted assets.

It is important to note that the equity adjustments described in RAN 21-1 apply at 0% until December 1, 2022. As of December 1, 2021, according to the CMF implementation schedule, and in accordance with the regulatory convergence process towards Basel III standards, the new determination of the calculation of Risk-Weighted Assets (RWA), as described in the following regulations, RAN 21--6 for Credit Risk-Weighted Assets, RAN 21--7 for Market Risk-Weighted Assets and RAN 21--8 for Operational Risk-Weighted Assets, begins to apply.

**NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY RATIOS, CONTINUED**

The composition of capital and its ratios at the end of each year is as follows:

	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Basic capital (CET1)</b>	<b>339,898</b>	<b>265,654</b>
<i>Paid-in capital</i>	195,388	170,388
<i>Reserves</i>	6,665	6,665
<i>Valuation accounts</i>	5,814	1,785
<i>Retained earnings</i>	91,644	58,375
<i>Profit for the year</i>	55,409	47,527
<i>Provision for dividends</i>	(16,623)	(14,258)
<i>Goodwill</i>	625	625
<i>Non-controlling interest</i>	13,531	3
Additional provisions	22,582	22,582
Subordinated bonds	138,561	137,674
Capital adjustments	11,931	4,832
<b>Additional Tier 1 Capital (AT1)</b>	<b>-</b>	<b>13,483</b>
<i>Bonds with no fixed term</i>	-	-
<i>Preferred shares</i>	-	-
<i>Additional provisions as AT1</i>	-	1,900
<i>Subordinated bonds as AT1</i>	-	11,583
<i>Adjustments to AT1</i>	-	-
<b>Tier 1 capital (T1)</b>	<b>339,898</b>	<b>279,137</b>
<b>Tier 2 capital (T2)</b>	<b>161,143</b>	<b>145,995</b>
<i>Additional provisions</i>	22,582	20,682
<i>Subordinated bonds</i>	138,561	126,090
<i>Adjustments to T2</i>	-	777
<b>Effective equity</b>	<b>501,042</b>	<b>425,132</b>
<b>Risk-weighted assets (RWA)</b>	<b>3,224,901</b>	<b>2,696,612</b>
<b>Credit risk-weighted assets (CRWA)</b>	<b>2,898,272</b>	<b>2,327,985</b>
<b>Market risk-weighted assets (MRWA)</b>	<b>152,214</b>	<b>163,379</b>
<b>Operational risk-weighted assets (ORWA)</b>	<b>174,414</b>	<b>205,248</b>
<b>Common Equity Tier 1 (CET1)</b>	<b>10.54%</b>	<b>9.85%</b>
<b>Capital adequacy ratio (CAR)</b>	<b>15.54%</b>	<b>15.77%</b>



**NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY RATIOS, CONTINUED****Adoption of Basel III standard**

During 2019, the Financial Market Commission initiated the regulatory process for the implementation of Basel III standards in Chile, in accordance with the provisions of Law No. 21.130 on Modernization of the Banking Legislation.

During the years 2020 and 2021, the CMF issued the different regulations for the adequacy of the Basel III standard for local banks, which are applicable as of December 1, 2021. The regulations include standard methodologies for determining, among others, credit, operational and market risk-weighted assets, regulatory capital, leverage ratio and systemically important banks. In addition, the regulations describe requirements and conditions applicable to:

- (i) the implementation of internal models for the calculation of certain risk-weighted assets,
- (ii) the issuance of hybrid capital instruments,
- (iii) market disclosure requirements (Pillar 3),
- (iv) the principles for determining capital buffers (countercyclical and conservation),
- (v) additional requirements to which banks defined as systemically important may be subject, and
- (vi) the criteria for determining additional capital requirements for banks with deficiencies identified in the supervisory review process (Pillar 2), among others.

The purpose of the countercyclical buffer is to strengthen the resilience of the banking system in the face of adverse economic and market conditions, thereby contributing to financial stability. This buffer is intended to ensure that the industry has buffers that can be released and generate additional capital buffers in the event of severe stress, thereby avoiding an abrupt contraction of credit in such circumstances; its size is determined by the central bank's board in stable economic times, and its activation may not necessarily occur at times when credit behavior indicates risks. It ranges from 0% to 3.5% of RWA net of provisions and must be fully covered by CET1.

For 2023, the central bank's board has set a countercyclical buffer of 0.5%.

**NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY RATIOS, CONTINUED**

The levels of Common Equity and Effective Equity for each year are as follows:

ITEM No.	Total assets, risk-weighted assets and effective equity components per Basel III - Item description	Local consolidated 12/31/2023 MCh\$	Local consolidated 12/31/2022 MCh\$
1	Total assets as per the statement of financial position	5,032,101	3,877,708
2	Investing in non-consolidated subsidiaries	-	228
3	Assets discounted from regulatory capital, other than item 2	24,782	-
4	Loan equivalents	153,422	159,544
5	Contingent loans	87,121	87,859
6	Financial instruments	369,727	-
7	= (1-2-3+4+5-6) <b>Total assets for regulatory purposes</b>	<b>4,878,135</b>	<b>4,125,339</b>
8.a	Credit risk-weighted assets, estimated per standard methodology (CRWA)	2,898,272	2,327,985
8.b	Credit risk-weighted assets, estimated per internal methodologies (CRWA)	-	-
9	Market risk-weighted assets (MRWA)	152,214	163,379
10	Operational risk-weighted assets (ORWA)	174,414	205,248
11.a	= (8.a/8.b+9+10) <b>Risk-weighted assets (RWA)</b>	<b>3,224,900</b>	<b>2,696,612</b>
11.b	= (8.a/8.b+9+10) <b>Risk-weighted assets after application of output floor (RWA)</b>	<b>3,224,900</b>	<b>2,696,612</b>
12	Equity attributable to the owners	338,298	270,483
13	Non-controlling interests	13,531	3
14	Goodwill	625	625
15	Excess of minority investments	-	-
16	= (12+13-14-15) <b>Equivalent Common Equity Tier 1 (CET1)</b>	<b>351,204</b>	<b>269,855</b>
17	Additional deductions from common equity tier 1, other than item 2	11,931	4,207
18	= (16-17-2) <b>Common equity tier 1 (CET1)</b>	<b>339,898</b>	<b>265,654</b>
19	Voluntary provisions (additional) allocated as additional tier 1 capital (AT1)	-	1,900
20	Subordinated bonds allocated as additional tier 1 capital (AT1)	-	11,583
21	Preferred shares allocated to additional tier 1 capital (AT1)	-	-
22	Bonds with no fixed maturity term allocated to additional tier 1 capital (AT1)	-	-
23	Discounts used on AT1	-	-
24	= (19+20+21+22-23) <b>Additional tier 1 capital (AT1)</b>	-	<b>13,483</b>
25	= (18+24) <b>Tier 1 capital</b>	<b>339,898</b>	<b>279,137</b>
26	Voluntary provisions (additional) allocated as tier 2 capital (T2)	22,582	20,682
27	Subordinated bonds allocated as tier 2 capital (T2)	138,561	126,090
28	= (26+27) <b>Equivalent tier 2 capital (T2)</b>	<b>161,143</b>	<b>146,772</b>
29	Discounts used on T2	-	777
30	= (28-29) <b>Tier 2 capital (T2)</b>	<b>161,143</b>	<b>145,995</b>
31	= (25+30) <b>Effective equity</b>	<b>501,041</b>	<b>425,132</b>
32	Additional basic capital required for the conservation buffer	60,467	33,708
33	Additional basic capital required for the countercyclical buffer	-	-
34	Additional basic capital required for systemically important banks	-	-
35	Additional capital required for the assessment of effective equity adequacy (Pillar 2)	-	-

**NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY RATIOS, CONTINUED**

Information on regulatory capital and capital adequacy ratios

ITEM No.	Solvency ratios and regulatory compliance indexes per Basel III (in % including two decimals)	Note	Local consolidated 12-31-2023 MCh\$	Local consolidated 12-31-2022 MCh\$
<b>1</b>	<b>Leverage ratio (T1_I18/T1_I7)</b>		6.97	6.44
1.a	Leverage ratio to be complied with by the Bank, considering minimum requirements.	a	3.00	3.00
<b>2</b>	<b>Common equity ratio (T1_I18/T1_I11bB)</b>		10.54	9.85
2.a	Common equity tier 1 ratio to be complied with by the Bank, considering minimum requirements.	a	4.50	4.50
2.b	Capital buffer deficit	b	0.00	0.00
<b>3</b>	<b>Tier 1 capital ratio (T1_I25/T1_I11.b)</b>		10.54	10.35
3.a	Tier 1 capital ratio that must be complied with by the Bank, considering minimum requirements.	a	6.00	6.00
<b>4</b>	<b>Effective equity ratio (T1_I31/T1_I11b)</b>		15.54	15.77
4.a	Effective equity ratio to be complied with by the Bank, considering minimum requirements.	a	8.00	8.00
4.b	Effective equity ratio to be complied with by the Bank, considering the debit due to Article 35 bis, if applicable	b	8.00	8.00
4.c	Effective equity ratio to be complied with by the Bank, considering	c	9.88	8.13
<b>5</b>	<b>Solvency rating</b>	d	A	A
	<b>Regulatory compliance ratios for solvency</b>			
<b>6</b>	<b>Voluntary provisions (additional) allocated in tier 2 capital (T2) related to CRWA (T1_I26/(T1_I8.a or 8.b))</b>	e	0.78	0.89
<b>7</b>	<b>Subordinated bonds allocated in tier 2 capital (T2) related to common equity tier 1 (CET1)</b>	f	46.54	47.46
<b>8</b>	<b>Additional tier 1 capital (AT1) related to common equity tier 1 (CET1) (T1_I24/T1_I18)</b>	g	0.00	5.08
<b>9</b>	<b>Voluntary provisions (additional) and subordinated bonds that are allocated to additional tier 1 capital (AT1) related to RWA ((T1_I19+T1_I20)/T1_I11.b)</b>	h	0.00	0.50

**NOTE 49 – SUBSEQUENT EVENTS**

Under Pillar II, as part of the review process of the Internal Capital Adequacy Assessment Report (ICAAP), the CMF determined a capital charge of 1.25% for Banco Internacional for credit concentration risk. Note that this charge is the result of a reference calculation in which, in the case of sector concentration, the real estate, construction and property rental sectors were considered as part of the same sector.

This charge has an implementation period of 4 years, in increments of 25%. The first 32 basis points are due on June 30, 2024.

**Marcelo Araya Jara**  
**Chief Accounting Officer**

**Mario Chamorro Carrizo**  
**Chief Executive Officer**