INTEGRATED **REPORT**
BANCO SECURITY

2023

CONTENTS **2023**

INTRODUCTION **2023 REPORT**

1 BANCO **SECURITY**

2 VALUE **CREATION MODEL**

3 BANK **GOVERNANCE**

4 CUSTOMER **CENTRICITY**

5 SECURITY **CULTURE**

6 **ENVIRONMENTAL** STEWARDSHIP

7 GIVING BACK TO **THE COMMUNITY**

8 **APPENDICES**

FINANCIAL **STATEMENTS**

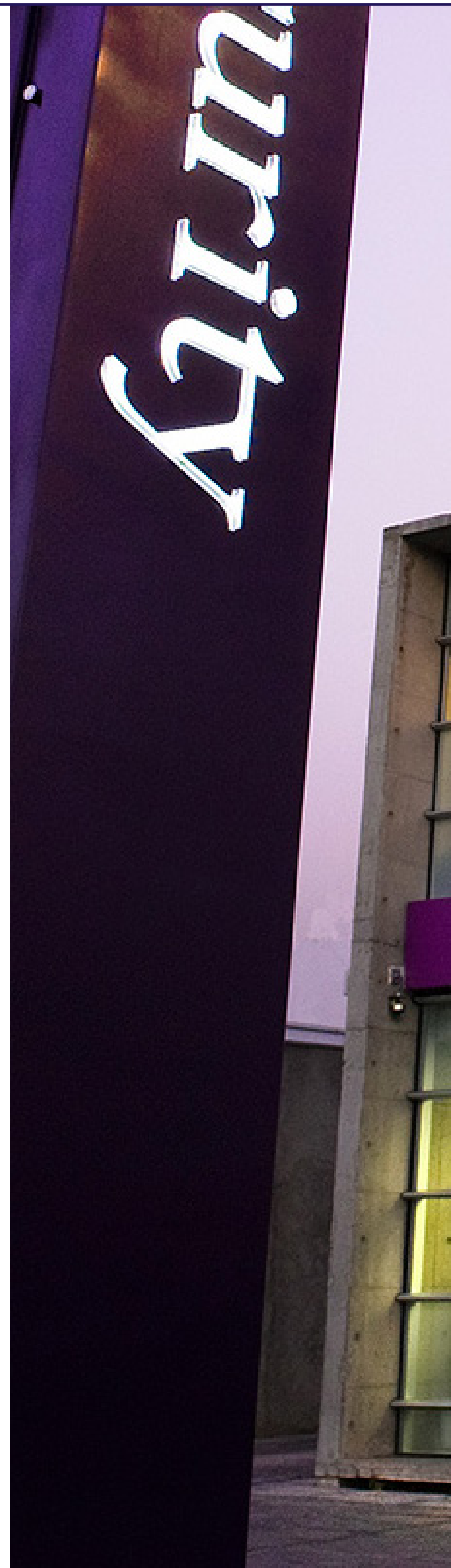
ABOUT THIS REPORT

This report provides details on the financial, social and environmental performance of Banco Security and its subsidiaries Valores Security Corredores de Bolsa and Administradora General de Fondos Security, from January 1 through December 31, 2023.

Banco Security is part of Grupo Security, a financial holding company that operates in Chile and Peru, excelling in the lending, asset management, insurance and services markets.

Throughout its history, the Bank has positioned itself as one of the best companies in terms of customer service experience and one of the best places to work. It now accounts for 75.8% of the profit of Grupo Security's business areas, and at the end of 2023 it had a market share of 3.16%.

For the third consecutive year, this report voluntarily follows the requirements of NCG 461 issued by the Financial Market Commission (CMF). These regulations address various aspects, such as corporate governance, risk management and the social scope of the company, among others. The information required by the Sustainability Accounting Standards Board (SASB) indicators specific to the Commercial Banking industry is also disclosed. The latter include aspects relevant to the sustainable development of the company's business.




BANCO security
BANCO security

KEY FIGURES

It has been a complicated year for the financial industry due to the global economic context. **Despite this, Banco Security managed to perform well in 2023.**

PRESENCE

18 BRANCHES

9	BRANCHES IN THE METROPOLITAN REGION
9	BRANCHES IN OTHER REGIONS

EMPLOYEES

1,361 TOTAL EMPLOYEES

47.9%	FEMALE WORKFORCE
8.1	AVERAGE YEARS OF SERVICE
22.8	AVERAGE TRAINING HOURS PER EMPLOYEE

SUPPLIERS

587 SUPPLIERS

21	SME SUPPLIERS
12.62	*AVERAGE PAYMENT DAYS

ENVIRONMENT

4,620 TOTAL EMISSIONS **($mtCO_2e$)**

25,506 m^3	WATER CONSUMPTION
3,485	(MWh) ENERGY CONSUMPTION

*For domestic suppliers.

CUSTOMERS

106,752 CUSTOMERS

19,811	COMMERCIAL CUSTOMERS
86,941	RETAIL CUSTOMERS
85%	NET PROMOTER SCORE

RESULTS

176,674 PROFIT (MCH$)

21.26%	ROAE
AA	ICR AND FITCH RISK RATING

LETTER FROM THE CHAIRMAN

Dear Team,

I am pleased to share with you the achievements we have made during 2023 at Banco Security, as reflected in our corporate financial annual report.

We saw remarkable growth in total loans, with an 8% increase to MCH$7,316,746. This increase was mainly driven by loans to individuals (consumer + mortgage), which rose 10.2% over the previous year, totaling MCH$1,607,039. On the other hand, commercial loans decreased 1.8%, which is not so different from that observed in the industry, which grew below inflation. And in terms of results and profitability, the Bank achieved a record with profit of MCH$176,674 and return on equity of 20%, which allowed us to improve our capitalization indicators and make some necessary investments with greater peace of mind.

In addition to our financial growth, I am proud to report that we reached 196,752 customers between the Bank and its subsidiaries, with a total of 3,599,530 transactions performed.

> **We saw remarkable growth in total loans, with an 8% increase to MCH$7,316,746.**

I would also like to especially highlight the fact that 79% of our consumer loans were sold through digital platforms, underscoring our commitment to digital transformation and continuous improvement of the customer experience.

Our efforts to improve the customer experience are reflected in the launch of Security Up, the market's first checking account with 100% digital financing, which currently shows a high customer satisfaction rate of 95%. The launch of this and other applications has been another important milestone, leading to a 35% increase in customer acquisition through digital channels, and a total of 75% of transactions made through this medium in the last year. Our customer retention rate has also increased by 25%, reflecting the effectiveness of our initiatives to improve the user experience.

In recognition of our commitment to excellence and customer satisfaction, I am pleased to share that we obtained first place in the financial industry's Customer Confidence Index (ICC) in the membership category, awarded by Universidad Adolfo Ibáñez. We also achieved third place in the PXI Customer Experience Ranking in the medium-sized banking institutions sector.

Furthermore, we have strengthened our strategic alliances with more than 20 fintechs, resulting in a 30% increase in innovative financial solutions for our customers. These partnerships have generated three new cooperative financial products, which represent 15% of our digital service revenues in the last year.

Banco Security has positioned itself as a relevant player in the provision of EFT and ATM Sponsor Bank services for issuers of prepaid cards, and we have also been able to reach agreements to provide highly transactional financial services with world-class technology.

This milestone in the Digital Plan offers a streamlined onboarding process and highly personalized service, including access to a wide range of financial products.

As part of the API Strategy plan, the company consolidated the systematic release of four APIs to customers through the Security Hub.

Five payment-focused solutions were introduced and a new, more secure communication standard was established so that customers, both companies and fintechs, can count on greater flexibility and efficiency in their transaction processes. This allows them to make mass payroll and/or supplier payments instantaneously, in addition to payroll queries and real-time data, keeping full control over transactions. All these features include payment validation with the highest security standards and easy integration for customers.

These enhancements resulted in a 40% increase in the uptake of digital payment solutions, while the optimization of loan origination has led to a 30% reduction in application processing time.

These advances complement the exceptional, personalized service that Banco Security provides to its customers, according to their needs and with state-of-the-art solutions.

Digital transformation is not only about building new digital solutions or improving existing ones, but also about implementing new ways of working to solve customer needs in a much safer, more efficient and faster way. The Bank has thus focused on important internal projects to streamline offers to customers, faster and with greater simplicity.

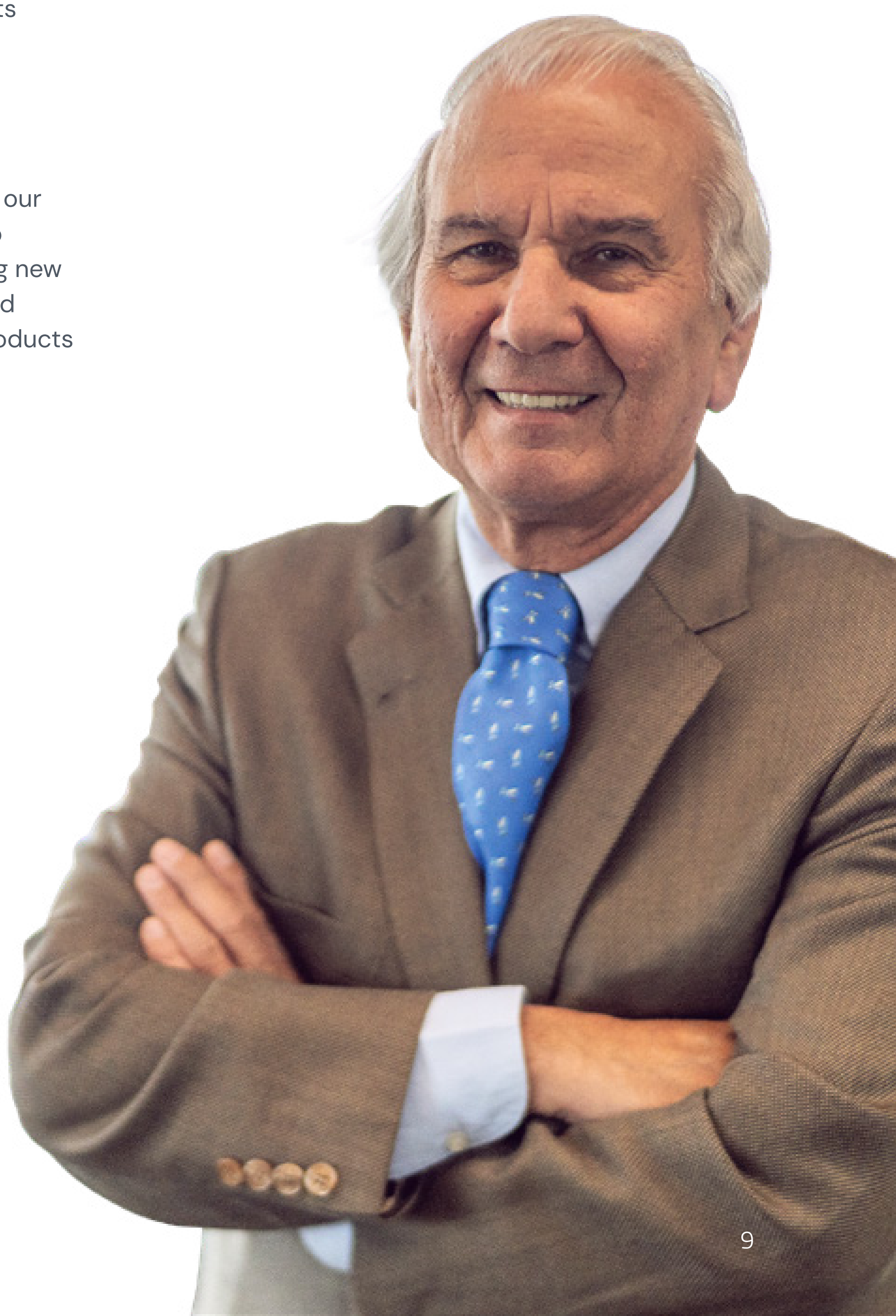
In short, 2023 was a year of significant achievements and continued growth for Banco Security. Our unwavering commitment to excellence has allowed us to continue offering tailor-made solutions that satisfy our customers' needs and expectations.

I am grateful for the continued support and trust of our shareholders, directors, suppliers and customers, to whom we remain fully committed. In this challenging new year ahead, we will continue to look out for them and demonstrate our desire to enhance our financial products and services.

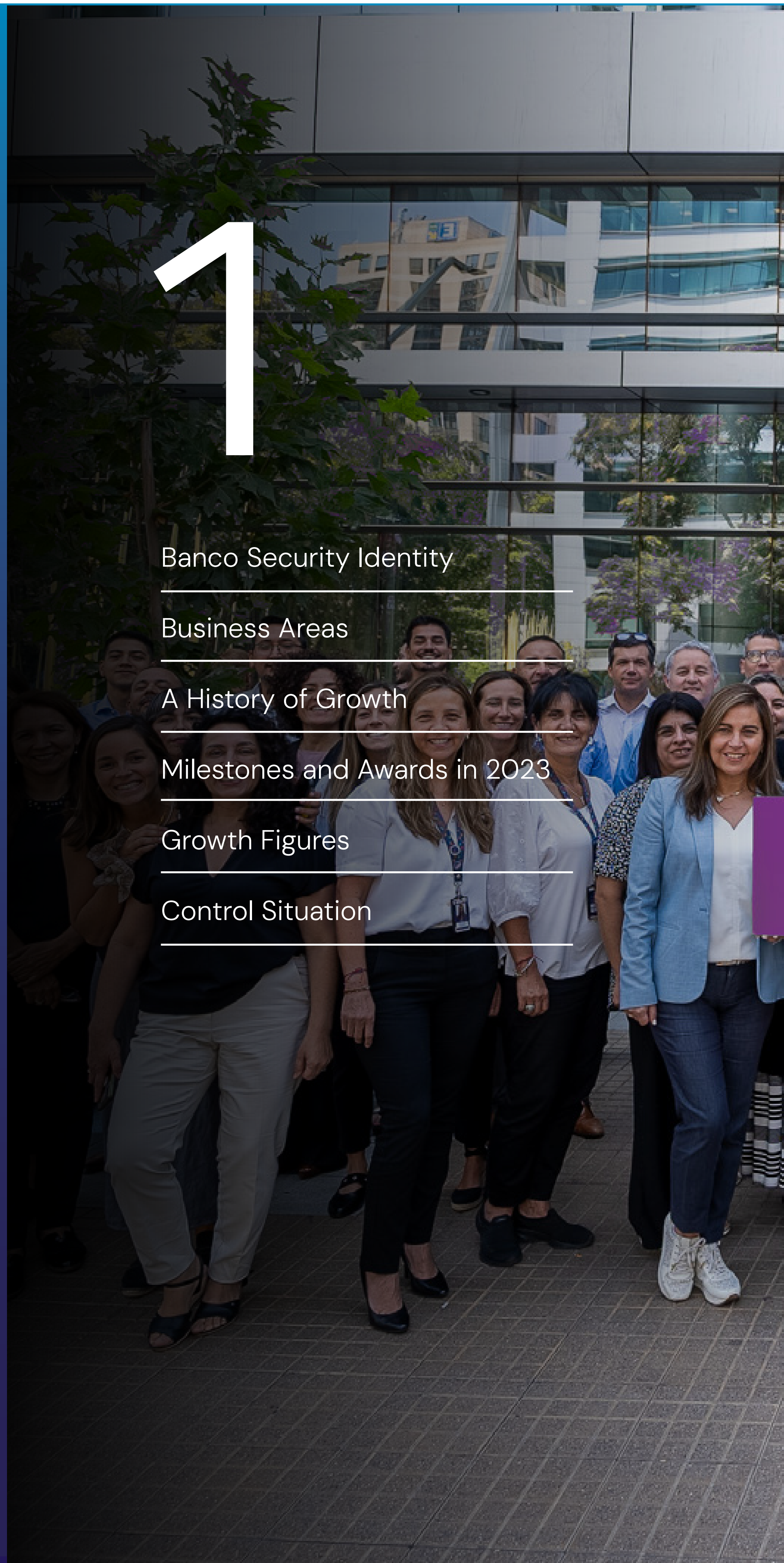
Sincerely,

Renato Peñafiel

Chairman, Grupo Security



BANCO SECURITY IDENTITY



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3150
BANCO security

BANCO SECURITY IDENTITY

[NCG 461 2.1, 2.3.1]

Banco Security is part of Grupo Security, a financial holding company composed of 13 subsidiaries organized around five business areas: **lending, insurance, investments and asset management, complementary services and international business.**

Banco Security is the Group's leading company in terms of profit and has been recognized for its excellence in customer service and commitment to its employees.

Its sustained efforts have positioned it as one of the best places to work in Chile, as rated by the Great Place To Work study and their certification, received this year.

Purpose

To build a better world together, accompanying you with sustainable financial solutions so you can make your dreams come true.

Mission

To meet the financial needs of large and medium-sized companies and aspiring-income retail segments, by delivering exceptional integrated services in order to build long-term relationships with each customer. To always be genuinely concerned for individuals and their families and recognized as a great place to work.

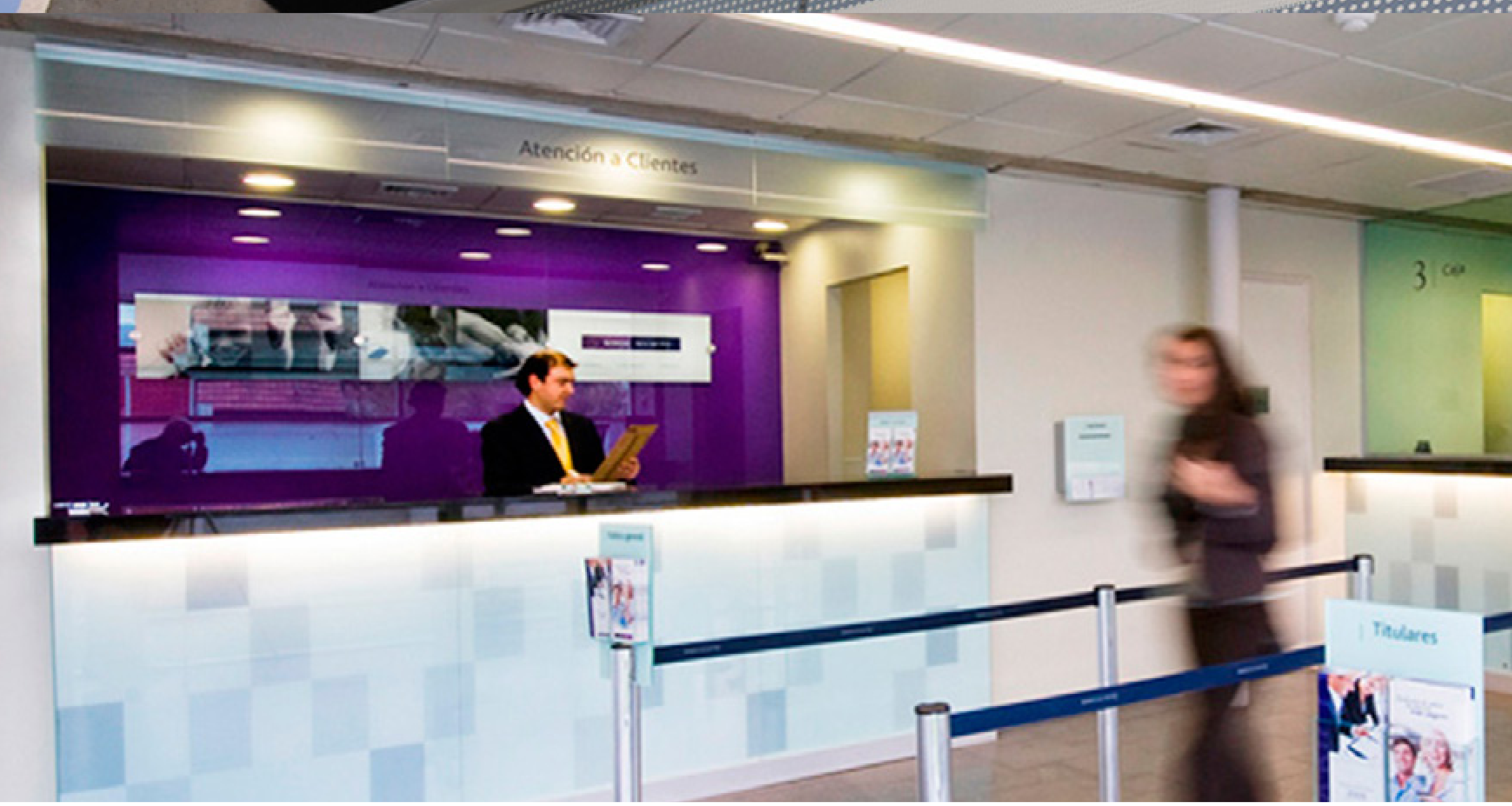
Vision

To strengthen its position as a specialist bank and service quality leader, by providing financial products and services tailored to each customer and always placing people at the core of its business.

Values

CLOSENESS **TRANSPARENCY** **PROFESSIONALISM**


BANCO
securit


Atención a Clientes
Titulares

BUSINESS AREAS

[NCG 461 6.1.i, 6.2.i]

The Bank offers financial services and products to large and medium-sized companies, as well as to high- and aspiring-income and/or wealth segments.

It has two asset management subsidiaries: Administradora General de Fondos Security S. A. and Valores Security S. A. Corredores de Bolsa.

As of December 31, 2023, the Bank has a 99.99% ownership interest in Administradora General de Fondos and a 99.98% ownership interest in Valores Security.

ASSET MANAGEMENT

INVERSIONES security
ADMINISTRADORA DE FONDOS

With more than 15 years of experience, Administradora General de Fondos (AGF) **is one of the main mutual and investment fund managers in the Chilean market.** As of December 2023, it had a market share of 4.63%, and CH$3,221,260 in assets under management for its 52,608 clients.

INVERSIONES security
CORREDORES DE BOLSA

The brokerage firm contributes to capital market development, facilitating the trading of securities and financial instruments. Thirty-six years after its founding, today it provides diagnostics, investment advice and market analysis to 13,400 investors, with a market share of 1.2% in 2023 and an accumulated trading value of MCH$701,194.

A HISTORY OF GROWTH

[NCG 461 2.2]

1987 Acquisition of Banco Urquijo

A subsidiary of **Security Pacific National Bank**, **Security Pacific Corporation**, acquires all the shares of Banco Urquijo de Chile, renaming it **Banco Security Pacific**.

1991 Acquisition of Banco Security Pacific

Shareholders of **Grupo Security** buy 60% of **Banco Security Pacific**, changing its name to **Banco Security**. This transaction brings Valores Security Corredores de Bolsa into the holding company.

1992 Creation of Fondos Mutuos Security

The subsidiary Administradora de Fondos Mutuos Security is created.

1994 Complete acquisition of Banco Security

The successor of Security Pacific National Bank, **Bank of America, sells the remaining 40% of Banco Security to Grupo Security.**

2004 Acquisition of Dresdner Bank

Grupo Security acquires a 99.67% stake of Dresdner Bank Lateinamerika Chile, merging it with Banco Security. For the first time in its history, the Bank exceeds one trillion pesos in loans.

Bank growth 2012

Retail banking exceeds 50,000 checking accounts and commercial banking reports MCH$2,000 in loans.

2014 First Chilean bank in Hong Kong

Banco Security becomes the first Chilean bank to open a **representative office in Hong Kong (China)**. AGF Security also merges with AGF Cruz del Sur.

Security and Penta merger 2016

The respective mergers of Penta Administradora General de Fondos S.A. with AGF Security and Penta Corredores de Bolsa S.A. with Valores Security Corredores de Bolsa S.A. are completed.

INVERSIONES security + PENTA

2021 Digital transformation

Commercial banking surpasses MCH$5,000 in loans and the Bank's digital transformation process begins.

Data-driven culture 2022

A data-driven operating model is implemented to drive a data-driven culture. Thanks to the Bank's transformation efforts, units sold through digital channels increase by 129%.

MILESTONES AND AWARDS IN 2023

LAUNCH OF SECURITY UP!

Fully digital checking account, with customized services and a simpler, faster online registration process. First account of its kind to offer online lending products.

SECURITYHUB FOR BUSINESS CUSTOMERS

Launch of 4 APIs, with payment solutions that provide a more secure communication standard. They offer companies and fintechs greater flexibility and efficiency in transactions, such as instant mass payments and payroll queries with security validation.

AA RATING BY FITCH RATING

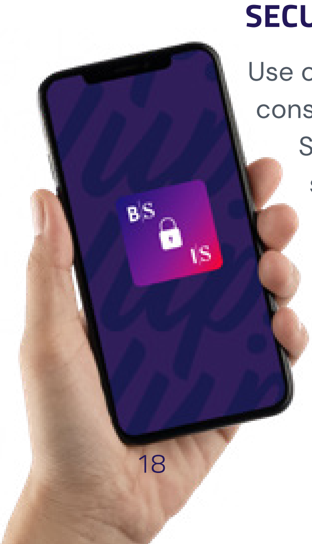
In senior bond issuances.

BASEL III PERPETUAL BONDS

Request for CMF registration for the first line of bonds with no fixed term to maturity.

ALLIANCE WITH BACKBASE

The Bank formed an alliance with the world's leading fintech to renew our digital platforms.



SECURITY PASS

Use of Security Pass is consolidated at Banco Security, which strengthens digital security for the Group's products and services.

STRATEGIC ALLIANCE WITH COPEC

Banco Security is the sponsoring bank for the new Copec Pay digital account. Through this service, prepaid card issuers can make electronic transfers in Chile.

MOVING FORWARD WITH YOU

Support for Paralympic athlete Francisca Mardones in the Parapan American Games 2023 and the Paris 2023 Parathletics World Championships.

AWARDS

1ST

Best Place to Work in Chile

in the over 1,000 employees category.

2ND

Best Place to Work for Women in Chile

in the over 1,000 employees category.

9TH

Best Place to Work in Latin America

in the large company category.

15TH

Group B

("very good experiences")

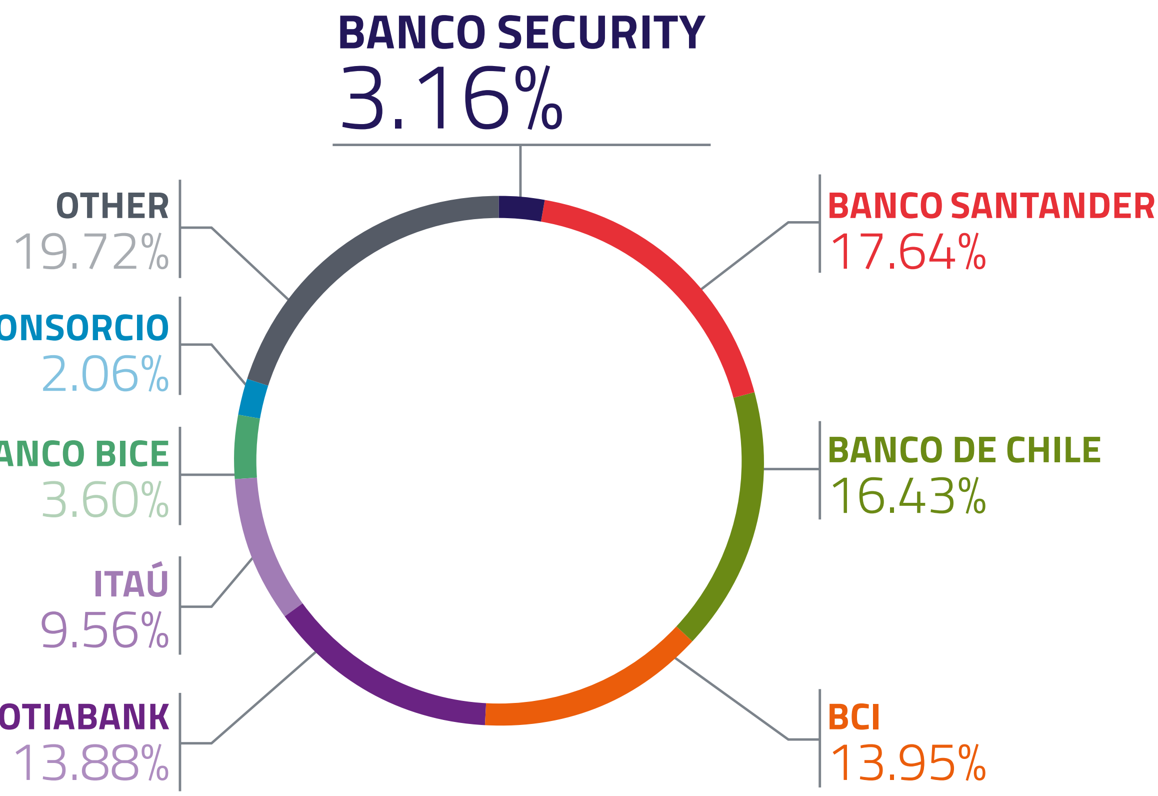
Highest confidence indicator

in the financial industry and national membership categories. The indicator seeks to measure the corporate trust that companies generate in their customers.

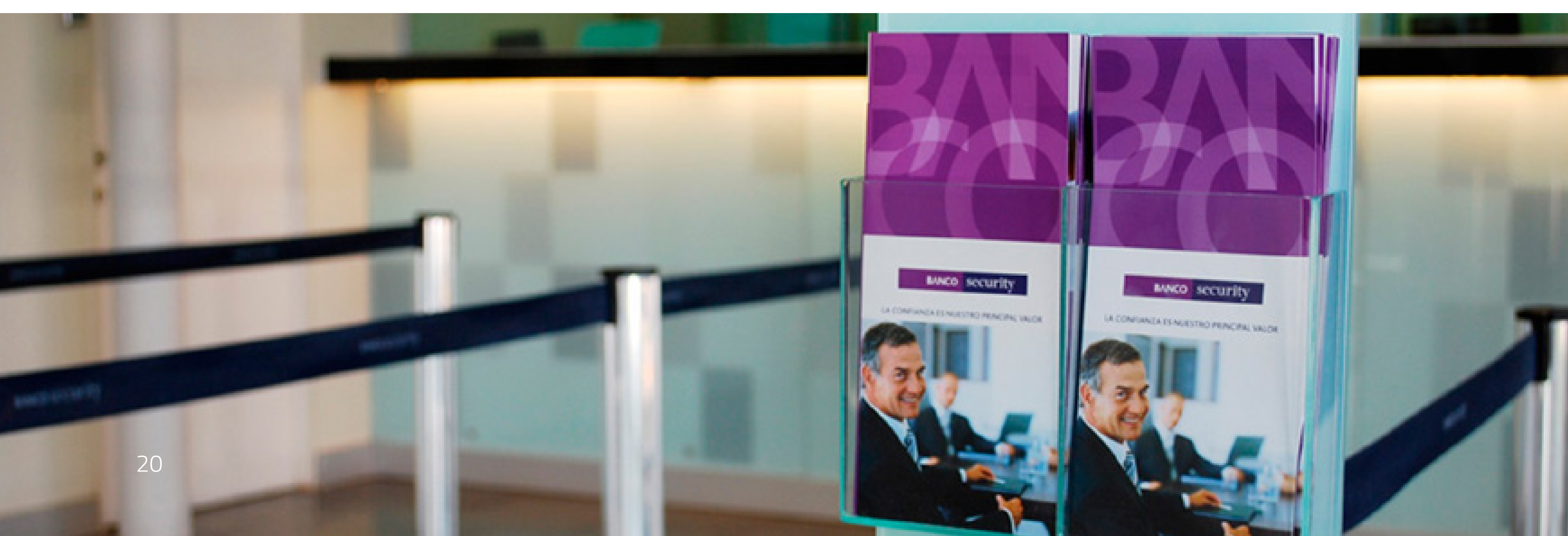
FINANCIAL PERFORMANCE

MARKET SHARE

Banco Security maintained a solid and relevant market position in 2023.

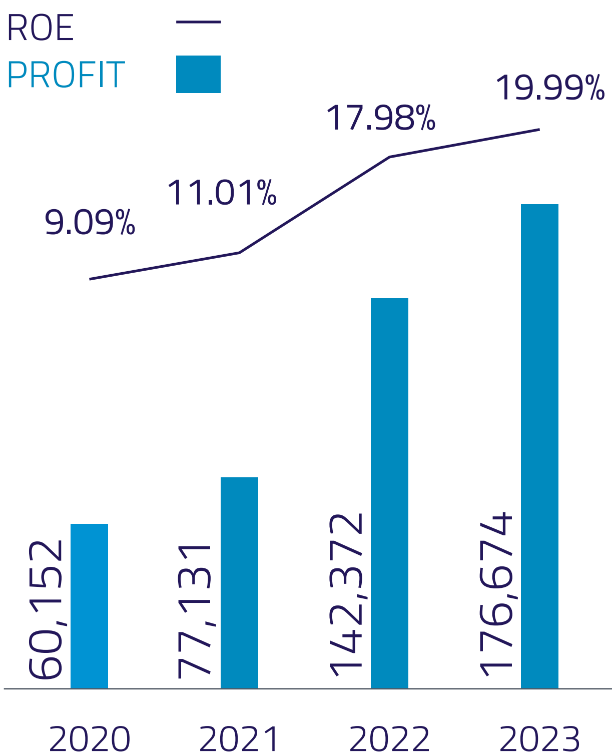


Excludes loans and advances to banks

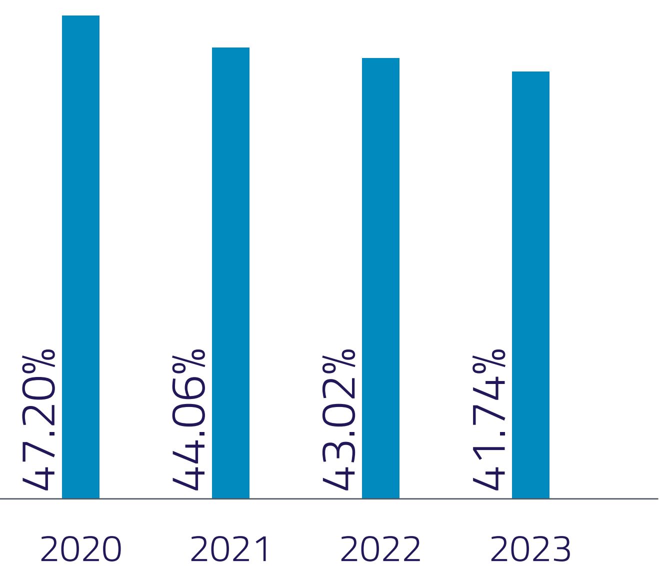


ECONOMIC RESULTS

PROFIT AND RETURNS
(MCH$, NOMINAL)



EFFICIENCY RATIO



TOTAL EQUITY (MCH$)

GROWTH OF TOTAL EQUITY

791,615 2022 **883,885** 2023

↗ 11.7%

RETURN ON TOTAL ASSETS

1.42% 2022 **1.66%** 2023

CONTROL SITUATION

[NCG 461 2.3.1, 2.3.2, 2.3.3]

Banco Security is directly controlled by Grupo Security, which owns 99.98% of its shares as of December 31, 2023.

The individuals who directly or indirectly—through other individuals or legal entities—own 10% or more of the shares of Grupo Security are as follows as of December 31, 2023:

NAME	Juan Cristóbal Pavez Recart	Gonzalo Andrés Pavez Aro	Jorge Marín Correa
TAXPAYER ID NUMBER	9.901.478-4	9.417.024-9	7.639.707-4
LEGAL ENTITY	Centinela SpA and Sociedad Comercial de Servicios e Inversiones Ltda.	Alisios SpA, Atacalco SpA and Tenaya SpA	Sociedad de Inversiones Hemaco Ltda., Polo Sur Soc. de Rentas don Ernesto Ltda., Don Guillermo S.A.
GRUPO SECURITY %	13.04%	11.45%	11.06%
NOTES	Representing himself, his father, mother and sisters.	Representing himself, his father and his children.	Representing himself, his spouse, children, siblings, nieces, nephews and aunts and uncles.

As of year-end 2023 Banco Security had

99 shareholders

The 12 largest ones are

Name of Shareholder	Shares Held	Ownership %
Grupo Security S.A.	236,858,976	99.976%
Inversiones Las Debdas SAC	4,138	0.002%
Gilberto del Carmen Paredes Acuña	3,880	0.002%
Importadora Transorbe Ltda	3,880	0.002%
Bari Guerra y Cía. Ltda.	3,232	0.001%
Isaac Guelfand Loy	2,771	0.001%
SUC Lbato Barrera Manuel Alfonso	2,095	0.001%
SOC Prod. Materiales de construcción	1,940	0.001%
SUC Hirmas Aguad Elías	1,615	0.001%
SOC Ovis Ltda.	1,615	0.001%
Jorge Kowalsky Lipnowsky	1,615	0.001%
Pedro Mir Taule	1,293	0.001%

Note 1: The Bank has no shareholders other than controlling shareholders owning 10% or more of capital, and to date no joint action agreement has been entered into.

Note 2: No significant changes in the entity's ownership occurred during 2023.

SHARES, CHARACTERISTICS AND RIGHTS

SHARES

[NCG 461 2.3.4 i, 2.3.4.iii.c]

As of December 31, 2023, the Bank's capital is divided into **236,916,372 shares distributed among 99 shareholders**. These are not traded on local or international stock exchanges.

The list of shareholders was provided by the Central Securities Depository (DCV), the custodian of the Bank's shares. The shares issued by the Bank are all common, single series shares.

DIVIDEND POLICY

[NCG 461 2.3.4.ii]

Banco Security's dividend policy calls for distributing to shareholders a percentage that is suitable given **market expectations for the share's returns** and the **capital adequacy assessment** to face inherent business risks.

In this regard, any percentage that the Board decides to distribute above the minimum 30% established by the regulations must be based on the revised results of the two-year financial and capital planning, in addition to considering all the risks established in the Basel III regulations, known as Pillar I risks and relevant Pillar II risks, including simulations of stressed macroeconomic scenarios.

To this end, a solid governance structure is established to anticipate changes in the economic and business environment, as well as the incorporation of best practices in the assessment of potential business risks, always with a forward-looking view, with a solid methodology for assessing the feasibility of generating interim and/or final dividends.

DIVIDENDS PAID (2020-2023)

[NCG 461 2.3.4.iii.a]

	2020	2021	2022	2023
DIVIDEND	23,090	30,074	46,277	78,301
VALUE PER SHARE	190.79	101.06	195.33	330.50

Note: The dividend was 55% of profit in 2023.

OTHER SECURITIES FOR FUNDING

[NCG 461 2.3.5]

As of December 2023, Banco Security had issued MCH$3,383,824 in senior bonds. Please refer to the financial statements included in this report for more detailed information.

Series	CMF Registration No.	CMF Registration Date	Currency	Amount	Annual Interest Rate	Term (Years)	Maturity	Amount Placed
H1	03-2007	Jan 25, 2007	UF	3,000,000	3	23.0	Dec 1, 2029	2,045,000
K5	14/2014	Oct 09, 2014	UF	5,000,000	2.75	10.0	Jun 01, 2024	5,000,000
K6	05-2015	Jun 04, 2015	UF	5,000,000	2.75	10.0	Mar 01, 2025	5,000,000
K7	05-2015	Jun 04, 2015	UF	5,000,000	2.75	10.0	Sep 01, 2025	5,000,000
K8	12-2016	Oct 03, 2016	UF	5,000,000	2.8	10.0	Oct 01, 2026	5,000,000
K9	08-2018	Jun 07, 2018	UF	5,000,000	2.75	10.5	Jul 01, 2028	5,000,000
B8	11-2018	Dec 20, 2018	UF	5,000,000	1.8	5.5	Feb 01 2024	5,000,000
Q1	11-2018	Dec 20, 2018	UF	3,000,000	2.5	15.0	Aug 01, 2033	3,000,000
Z4	11-2018	Dec 20, 2018	CH$	75,000,000,000	4.8	5.5	Apr 01, 2024	75,000,000,000
D1	11-2018	Dec 20, 2018	UF	5,000,000	2.2	10.5	Feb 01, 2029	5,000,000
B9	11-2018	Nov 11, 2019	UF	5,000,000	0.7	5.5	Oct 01, 2024	5,000,000
C1	11-2019	Nov 11, 2019	UF	5,000,000	0.8	6.0	Mar 01, 2026	5,000,000
D2	11-2019	Nov 11, 2019	UF	5,000,000	0.9	8.5	Sep 01, 2027	5,000,000
D3	11-2019	Nov 11, 2019	UF	5,000,000	1	10.5	Sep 01, 2029	5,000,000
Z5	11-2019	Nov 11, 2019	CH$	75,000,000,000	3.5	6.0	Jun 01, 2025	75,000,000,000
Z7	04-2020	Mar 12, 2020	CH$	100,000,000,000	2.75	6.0	Nov 01, 2025	64,500,000,000
D4	04-2020	Mar 12, 2020	UF	5,000,000	0.5	10.5	Jul 01, 2030	5,000,000
C3	06-2021	Sep 23, 2021	UF	5,000,000	0.4	5.0	Jul 01, 2026	1,140,000
C4	06-2021	Sep 23, 2021	UF	5,000,000	0.7	6.0	Mar 01, 2027	1,185,000
D5	06-2021	Sep 23, 2021	UF	5,000,000	1	7.0	Apr 01, 2028	5,000,000
D6	06-2021	Sep 23, 2021	UF	5,000,000	1.4	10.5	Nov 01, 2031	2,610,000
Q2	04-2020	Mar 12, 2020	UF	5,000,000	0.7	15.0	Nov 1, 2034	3,740,000
Q3	04-2020	Mar 12, 2020	UF	5,000,000	0.8	15.5	Jul 01, 2035	3,380,000
Z6	04-2020	Mar 12, 2020	CH$	100,000,000,000	2.65	5.0	Dec 01, 2024	23,750,000,000
Z8	06-2021	Sep 23, 2021	CH$	100,000,000,000	3.3	6.0	Jun 01, 2027	100,000,000,000
Z9	03/2023	Mar-31-23	CH$	100,000,000,000	5.5	5.0	Dec 02, 2027	49,600,000,000
D7	03/2023	Mar-31-23	UF	5,000,000	2.5	10.0	Nov 01, 2023	80,000
D8	03/2023	Mar-31-23	UF	5,000,000	2.5	11.0	Dec 01, 2023	770,000
Q5	03/2023	Mar-31-23	UF	5,000,000	2.5	16.0	Sep 1, 2021	2,000,000

VALUE CREATION **MODEL**

2

- Strategic Focal Points
- Value Creation Model
- Stakeholders
- Investor Relations
- Sustainable Development Goals

STRATEGIC FOCAL POINTS [NCG 461 3.1.v, 4.1, 4.2]

Each focal point is aimed at **transforming how Banco Security responds to the needs and expectations of the industry,** enhancing customer experience with professionalism, closeness and excellence.

Since 2021, Banco Security has focused on six strategic focal points. They promote and strengthen the coordinated work of the business areas in order to position the Bank as a comprehensive provider of financial services.

Their main objective is to meet customer needs, combining the latest industry trends and innovation. This improves customer experience by focusing on the Security hallmark, marked by professionalism, closeness, and outstanding service, as well as high levels of market competitiveness and profitability.

The focal points also include aspects such as mainstreaming sustainability and transforming the internal culture around professional development, innovation and cooperation.

The Company's strategic plan envisages a short-term period of one year and a medium-term period of three years.

01 Customer experience

Be the Bank with the best customer experience in its target segments.

02 Digital and data

Leverage models and businesses by intensively using data and digital tools.

03 Transformation process

Review key processes with a customer-centric, end-to-end, efficiency-focused approach.

04 Risk and use of capital

Review the business model per Basel III to optimize the use of capital.

05 Environmental, social, and governance

Develop best practices in sustainability matters.

06 Culture and capacities

Promote new ways of working based on agility, teamwork and a customer focus.

DIGITAL STRATEGY [NCG 461 3.1.v]

In 2023, Banco Security made significant strides to consolidate its digital transformation strategy. Various initiatives have been implemented to improve the customer experience, offering innovative and higher-quality services, while maintaining the Company's distinctive hallmark.

Unlike past efforts, a methodological approach has amplified the impact of these projects, significantly improving their performance.

The Bank has aligned with Grupo Security's digital strategy, highlighting two fundamental focal points:

FOCAL POINTS

Digitally transform Security

Drive business sustainability through new digital solutions

ENABLERS

Promote agile decision making through the responsible use of data

Foster a digital culture throughout the organization

leveraging the necessary change for transformation in this area.

Help businesses achieve their objectives, creating a comprehensive value proposition for customers per the Group's strategic guidelines.

To drive and execute the strategy, the Bank has implemented a Digital Transformation Plan, overseen by the Corporate Digital and Data Department. It is composed of the Digital Marketing, Digital Business Development, Data and Analytics, Digital IT and User Experience areas.

In turn, the Corporate Digital and Data Department has given way to the creation of the Bank's Digital Division, in charge of the company's business strategy.

INVESTMENT PLANS

[NCG 461 3.1.V, 4.3]

The digital plan covers a 4-year period and aims to generate additional estimated annual net revenue of MUS$20 over three years and an investment of approximately MUS$40 over the same period.

This investment has been progressive and each initiative has been internally approved, as defined in the governance model.

This plan is expected to generate returns for the business and deliver better customer experience, products and services.

WE HAVE INVESTED
19 US$ MILLION
in the Digital Plan as of December 31, 2023.

STRATEGIC FOCAL POINTS OF THE DIGITAL TRANSFORMATION PROCESS

[NCG 461 4.2]

For Commercial Banking, the objective is to improve the experience in key business products and services, and increase profitability. This will be done through a greater focus on transactional products and new services leveraged on technology, such as payment dispersion via APIs (Application Programming Interface).

On the Retail Banking front, the main goal is to accelerate the process of updating our digital services and reduce customer acquisition costs.

At Inversiones Security, our focus is to enhance advisory services through online channels and increase growth through online capture and product simplification.

We are also constantly working on integrating the Security value proposition for retail and commercial customers, through digital tools that generate a consistent, satisfactory experience.

We are constantly working on integrating the Security value proposition through digital tools that generate a consistent, satisfactory experience.

DIGITAL STRATEGY MILESTONES

Security up!

Security Up! launched in August 2023. This product reflects Banco Security's constant pursuit of innovation and improvement in user experience. This 100% digital checking account allows users to open an account completely online.

This milestone in the Digital Plan offers a streamlined onboarding process and highly customized service, including access to a wide range of financial products.

Security Up! demonstrates the company's commitment to digital transformation and continuous improvement. With this innovation, Banco Security continues on its path of providing cutting-edge digital financial solutions focused on customer convenience and needs.

Security HUB

As part of the API Strategy plan, the company consolidated the systematic release of APIs to customers through the Security Hub.

Five payment-focused solutions were introduced and a new, more secure communication standard was established so that customers, both companies and fintechs, can count on greater flexibility and efficiency in their transaction processes. This allows them to make mass payroll and/or supplier payments instantaneously, in addition to payroll queries and real-time data, keeping full control over transactions. All these features include payment validation with the highest security standards and easy integration for customers.

These advances complement the exceptional, personalized service that Banco Security provides to its customers, according to their needs and with state-of-the-art solutions.

Security DATA ZONE

LAUNCH OF SECURITY DATA ZONE

New data ecosystem in which the Commercial Banking business is already operating. Having all the Bank's businesses implement this system is essential to execute the strategic data pillars, which are to support the strategy and long-term objectives of the businesses, optimize decision making, and prepare the Company to comply with the new regulatory conditions on privacy and information security.

EMBRACING THE MARTECH CONCEPT

Banco Security marched towards the concept of Martech (Marketing + Technology), fully integrating the new Google Analytics 4 (GA4) digital measurement platform into its digital ecosystem.

Similarly, specific dashboards were developed for each of the Bank's products. These dashboards provide a comprehensive, real-time view of the performance and effectiveness of different strategies and campaigns.

We have also focused our efforts on the branding and integration of digital advertising platforms. This allows us to not only collect more accurate and relevant data, but also to improve digital marketing strategies on an ongoing basis.

NEW PARTNERSHIPS WITH FINTECHS

We have deepened our ties with the Fintech ecosystem, actively collaborating with more than 20 companies. These alliances have allowed the company to continue positioning itself as a robust alternative to facilitate and/or co-create new financial services.

Banco Security has positioned itself as a relevant player in the provision of EFT and ATM Sponsor Bank services for issuers of prepaid cards, and we have also been able to reach agreements to provide highly transactional financial services with world-class technology.

NEW DIGITAL CHANNELS

This year, Banco Security focused on one of the most emblematic projects of its digital transformation: "Channel Reboot," the results of which are already being seen.

First, the company partnered with one of the leading companies in the world to build new digital channels, for both the Bank and its subsidiaries. Backbase has accelerated the creation of these new channels using the best practices from the world's most developed markets.

By 2023, Banco Security closed with two new applications for Retail and Commercial Banking customers. The latter, first of its kind in the industry, was built as a joint effort with users. A new digital onboarding process and app for Inversiones Security customers and a new foreign trade channel for Commercial Banking are expected in 2024.

STRENGTHENING OF PROCESSES

Digital transformation is not only about building new digital solutions or improving existing ones, but also about implementing new ways of working to solve customer needs in a much safer, more efficient and faster way. The Bank has thus focused on the following projects:

Credit life policy renewal:
The Bank's teams have consistently worked to instill robust monitoring processes for renewing credit life policies. One of the main objectives has been to automate the end-to-end flow, in order to ensure that the Bank's risk management meets the highest standards at all times.

Origination:
Comprehensive project that seeks to optimize account executives' time and streamline offers to customers quickly and easily, eliminating current frictions in the process. We worked on implementing a new decision-making engine, building a new platform for executives and enabling services for channels to connect to the process.

SUSTAINABILITY STRATEGY

[NCG 461 3.1.ii]

In 2022, Banco Security approved its Sustainability Policy, declaring its commitment to sustainable development and its support for the transition to a low-carbon and socially responsible economy.

This policy seeks to ensure that the company adequately manages its negative impacts on the environment and people, while also promoting positive ones. At the same time, it encourages reporting and accountability to its stakeholders and the market.

Accordingly, the Bank incorporates the Sustainability Accounting Standards Board (SASB) indicators for the commercial banking industry into this report. The strategy also aims to expand the collection of metrics and identification of processes under these standards.

In 2023 we expanded the guidelines of Banco Security's Sustainability Policy, converging on a strategy centered around four focal points:

Each of these focal points defines the Company's future goals and challenges, in order to consolidate its work and commitment to sustainability.

FOCAL POINT	PROGRESS	CHALLENGES
01 **Governance**	Defined a governing body responsible for sustainability issues. Strengthened the role of the Board of Directors in line with the Sustainability Policy.	Implement the ESG Master Plan. Promote inclusion throughout the entire organization.
02 **Strategy**	Designed a Risk Policy consistent with ESG factors.	Enrich the Credit Risk Policy, based on responsible business policies and integrating ESG risks. Design lending and savings products in line with ESG principles.
03 **Risk management**	Integrated management of identified physical and transition risks.	Define a methodology to calculate financed emissions and set corresponding targets. Incorporate ESG dimensions into reputational and compliance risk assessment and control processes, as well as the impact on business continuity plans.
04 **Suppliers and metrics**	Updated the Supplier Policy, reviewing the sustainability criteria being assessed.	Develop an environmental risk matrix and update the metrics of the Sustainability Accountability Standards Board (SASB).

SUSTAINABILITY GOVERNANCE

Board of Directors

Oversees the Bank's ESG impacts on the environment and the impacts that the environment may have on the Bank; delegates responsibility for managing these impacts to Company executives and monitors compliance with the Sustainability Policy.

Strategy and Capital Committee

Analyzes and proposes sustainability challenges and requirements in business strategies, based on ESG initiatives. It also designs, manages and communicates the sustainability strategy of the Bank and its subsidiaries. Different stakeholders are considered for this purpose, including customers, investors, employees, the community and suppliers.

Other participants:

Board committees

Chief Executive Officer

Risk Division: ESG Working Groups

Draft a Responsible Investment Policy that considers ESG variables in its investment decisions and a Social and Environmental Risk Policy that incorporates social and environmental variables in the assessment and financing of projects. The latter will also set guidelines for a risk identification and management scheme for customers, to help them comply with the regulations in force.

Other participants:

Management committees with board representatives

Management committees

INDICATORS AND SUSTAINABILITY-RELATED ENTITIES GUIDING THE STRATEGY [NCG 461 3.5]

In developing its corporate sustainability strategy, Banco Security relies on a series of international assessments, recommendations and ratings.

It gathers parameters and best practices from these, which it then transforms into policies and guidelines to be implemented by its subsidiaries, subject to the approval of their respective boards.

ASSESSMENT

In 2021, the Financial Market Commission published the new NCG 461 to regulate annual reports. It incorporates business sustainability variables, with special emphasis on corporate governance, risk management, stakeholder engagement and the entity's contribution to the fulfillment of the United Nations Sustainable Development Goals.

Annual assessment of sustainability practices, with material financial and industry-specific criteria. To date, it measures more than 10,000 companies worldwide.

Instrument applied to Banco Security, to determine how it is perceived by its stakeholders across the board in terms of environmental, social, and governance (ESG) matters. It also helps to anticipate risks and define action focuses to promote the sustainability of the business over time.

CREATION OF PARTNERSHIPS

Entity responsible for promoting and disseminating the Ten Guiding Principles of the United Nations related to human rights, labor, the environment and anti-corruption. It also works to raise awareness of the need to make progress towards the UN's 2030 Agenda for Sustainable Development.

The Principles for Responsible Investment (PRI) seek to bring together responsible investors to work collaboratively for the development of sustainable markets, and currently, Administradora General de Fondos Security, a subsidiary of Banco Security, adheres to these principles.

CORPORATE HUMAN RIGHTS POLICY

In 2023, Banco Security approved its Corporate Human Rights Policy, which is inspired by international standards, such as the United Nations Guiding Principles on Business and Human Rights. This document establishes commitments with its stakeholders and the Sustainable Development Goals.

This corporate policy defines general principles of action, which may be further developed and supplemented by the subsidiaries, subject to the approval of Banco Security's Board of Directors.

VALUE CREATION MODEL

INPUT

CAPITAL

FINANCIAL

MCH$883,885 Equity

MCH$9,761,965 Total Lending

MCH$10,645,145 Assets

INTELLECTUAL

Security Hub

INDUSTRY

18 branches

13 ATMs

HUMAN

1,361 employees

652 women in the organization

MCH$489.7 invested in training

SOCIAL AND RELATIONSHIP

106,752 customers

19,811 commercial banking customers

86,941 retail banking customers

Partnership with **seven foundations**

1,150 suppliers

NATURAL

7,010 $mtCO_2e$ total emissions, 2019 baseline

BUSINESS MODEL

PURPOSE

To build a better world together accompanying you with sustainable financial solutions so you can make your dreams come true.

MISSION

To meet the financial needs of large and medium-sized companies and aspiring-income retail segments, by delivering exceptional integrated services in order to build long-term relationships with each customer.

To always be genuinely concerned for individuals and their families and recognized as a great place to work.

VISION

To strengthen its position as a specialist bank and service quality leader, by providing financial products and services tailored to each customer and always placing people at the core of its business.

CLOSENESS
Constant concern for people

TRANSPARENCY
Ongoing search for truth

B|S SECURITY HALLMARK

PROFESSIONALISM
A job well done and motivation for customers

CORPORATE GOVERNANCE

RISK MANAGEMENT

STRATEGIC FOCAL POINTS

Consolidate and protect the business
Adapt the culture to new ways of working
Complement the current business model
Enrich the Security Brand

THE SECURITY CULTURE

Cultural guidelines
Work-family-life balance
The importance of how
Long-term relationship
Security Hallmark
Connect with people
Make it happen
Shaping our tomorrow

VALUE CREATED FOR STAKEHOLDERS

CAPITAL

FINANCIAL

MCH$176,674 Profit

INTELLECTUAL

100% of workforce trained, with an average of 22.8 hours per year

INDUSTRY

3,509,530 transactions

79% consumer loans sold digitally

HUMAN

3 awards from Great Place to Work

+45 employee **benefits**.

39.8% pay equity in sales force

24.6% of employees with more than 12 years seniority

100% of workforce trained, with an average of 22.8 hours per year

SOCIAL AND RELATIONSHIP

85% Net Promoter Score in Retail Banking

1st Place Customer Confidence Index (ICC), UAI

SSINDEX Certification

164,280 views of the Security Economic Seminar through the web platform.

50,000 monthly visits to "Saber Suma"

NATURAL

4,620 mtCO₂e total emissions as of 2023

Huella Chile Certification

64% reduction in printing

SUSTAINABILITY STRATEGY

COMMERCIAL BANKING

Large companies and real estate

Companies and regional branches

Financial banking

RETAIL BANKING

Private banking

Premium banking

Active banking

Entrepreneur banking

MONEY DESK

Balance Sheet Desk

Distribution Desk

Trading and Investment Desk

ASSET MANAGEMENT

Equity Investment

Private Investment

Active Investment

Commercial Investment

SDG

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

VALUE CREATION

[NCG 461 6.1.i, 6.2.i]

Banco Security has a wide range of lending and investment products that match the needs and demands of its customers, and provides them with customized assistance, tailor-made benefits and more time to make their dreams come true.

To this end, it has four lines of business: Commercial Banking (Large Corporations and Real Estate, Companies and Branches, and Financial Banking), Retail Banking (Private, Premium, Active and Entrepreneurs), Asset Management and Trade Desk.

These segments offer a range of products and services, from consumer, commercial and mortgage loans, credit cards and checking accounts, to cash management, different types of financing and a foreign trade unit.

SALES AND SERVICE CHANNELS

[NCG 461 6.2.ii, 6.2.v, 6.2.vi, 6.2.vii]

The Company and its subsidiaries have different customer service channels through a variety of media:

IN-PERSON

18 BRANCHES

438 ACCOUNT EXECUTIVES AND CLERKS

PHONE-BASED

41 Call center executives

DIGITAL CHANNELS

bancosecurity.cl

inversionessecurity.cl

Mobile app

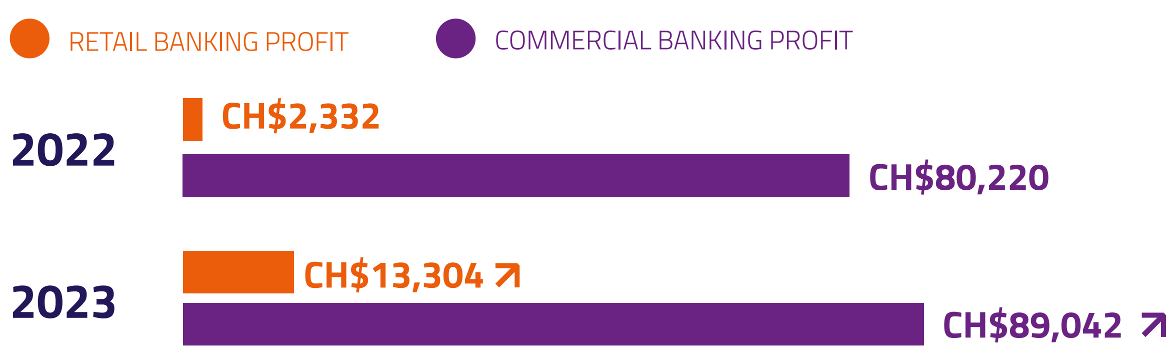
SELF-SERVICE

13 ATMs

2 Self-service kiosks

Banco Security does not own any trademarks or patents related to the business of the parent company and its subsidiaries. Furthermore, it does not hold any licenses, franchises, royalties and/or property concessions.

PROFIT FROM BUSINESS LINES (THCH$)



COMMERCIAL BANKING ACTIVITY PARAMETERS

[SASB FN-CB-000.A, FN-CB-000.B]

		2022		2023	
		No.	Amount (MCH$)	No.	Amount (MCH$)
CHECKING ACCOUNTS	Retail	57,674	207,111	57,572 ↘	207,725 ↗
	Small business	14,137	234,004	14,079 ↘	213,794 ↘

		2022		2023	
		No.	Amount (MCH$)	No.	Amount (MCH$)
LOANS	Retail	24,986	579,948	29,954 ↗	581,564 ↗
	Small business	3,303	1,093,379	3,266 ↘	903,592 ↘
	Corporate	3,952	1,355,747	4,659 ↗	1,341,268 ↘

BANK SUBSIDIARIES

Banco Security has two subsidiaries that provide additional services to the Company's lending business.

INVERSIONES security

Valores Security S.A. Corredores de Bolsa

A company that participates in the securities brokerage industry, facilitating the transaction of securities and financial instruments. It offers advice to investors, through analysis and diagnosis of both the local and international markets.

In turn, Valores Security has two lines of business: proprietary trading, consisting mainly of purchase and sale transactions of fixed-income and money market instruments, forward transactions and mutual fund units; and on behalf of third parties, related to the purchase and sale of shares, repo agreements, purchase and sale of foreign securities, etc.

The subsidiary has six face-to-face and digital service models focused on serving each customer segment: wealth management, private management, active management, commercial management, an external channel and, on its website, customers can buy and sell shares remotely.

44
EMPLOYEES

18.18%
FEMALE WORKFORCE

31.4
AVERAGE TRAINING HOURS PER EMPLOYEE

13,400
CUSTOMERS

2,964
COMPANIES

10,436
INDIVIDUALS

73%
SATISFACTION

MCH$2,088 PROFIT

93.85 CARBON FOOTPRINT mtCO₂e

5.6% ROAE

16.6 SCOPE 2 EMISSIONS mtCO₂e

90.4% EFFICIENCY

INVERSIONES security
ADMINISTRADORA DE FONDOS

Administradora General de Fondos Security

This subsidiary is part of the mutual fund industry and has 36 mutual funds, 28 investment funds and 2 private investment funds as of December 31, 2023, mostly in the banking sector.

It also participates in the investment fund industry and is diversified across the banking and non-banking sectors.

Administradora General de Fondos Security offers services and advice to meet the asset management needs of its clients, which are mainly medium-sized investors, high-net-worth clients and companies and institutional investors that require specialized management of their assets.

Similarly to Valores Security, it also has six service models to respond to customer requirements.

55
EMPLOYEES

20.09%
FEMALE WORKFORCE

CH$22,833,341
INVESTED IN TRAINING

52,608
CUSTOMERS

73%
SATISFACTION

MCH$8,300 PROFIT

117.3 CARBON FOOTPRINT mtCO₂e

MCH$65,843 ASSETS

20.7 SCOPE 2 EMISSIONS mtCO₂e

61.0% EFFICIENCY

[NCG 461 6.1.ii]

The company's direct and relevant competitors are banks of similar size and with similar and/or common target customer segments. Other competitors include fintechs and startups, which currently offer new financial experiences, thanks to technology and digitalization.

REGULATORY FRAMEWORK AND ENTITIES

[NCG 461 6.1.iii, 6.1.iv]

The Company is concerned with strictly complying with the law governing the financial industry and its participants.

The main regulatory entities that outline the regulatory framework for Banco Security and its subsidiaries include the Financial Market Commission (CMF), the Central Bank of Chile, the Chilean Internal Revenue Service, the Financial Analysis Unit and the Chilean Consumer Protection Agency.

MAIN REGULATIONS GOVERNING THE COMPANY AND ITS SUBSIDIARIES:

- Law 18,045 on the Securities Market.
- Law 18,046 on Corporations
- Law 20,712 on the Administration of Third-Party Funds and Individual Portfolios
- General Banking Law
- Law No. 18,010, of 1981, on Money Credit Operations and Other Monetary Obligations
- Decree with Force of Law No. 707, of 1982, on Bank Checking Accounts and Checks
- Decree Law No. 3,475 of 1980 on Stamp Taxes
- Law No. 20,712 of 2014 on the Administration of Third Party Funds and Individual Portfolios
- Law 19,281 of 1993, on the Leasing of Homes with Promise of Sale, and Decrees
- Supreme Decree No. 1,334 of the Ministry Finance (1995) and No. 120 of the Ministry of Housing and Urban Development (1995), which govern the different Chapters of Law No. 19,281.
- Law 20,345, of 2009, on Financial Instruments Clearing and Settlement Systems
- Law No. 21,236 on Financial Portability, and Decree No. 1,154 of the Finance Ministry (2020), approving the Regulations of said law
- Law 19,439, of 1996, on Endorsable Mortgage Loan Contracts and Other Matters Related to Housing Lending
- Law 19.983, of 2004, which Regulates the Transfer and Grants Executive Merit to a Copy of the Invoice
- Law 21,314, of 2021, which sets forth New Transparency Requirements and Reinforces the Responsibilities of Market Agents, Regulates Pension Advisory Services, and other matters
- Law 21,081 of 2018 on the Protection of Consumer Rights
- Law 19,913 Creating the Financial Analysis Unit and Modifying Various Provisions on Money Laundering and Laundering of Assets
- Law 20,393, governing the Criminal Liability of Legal Entities

STAKEHOLDERS [NCG 461 3.1.iv, 3.7.i, 6.1.v, 6.3]

Grupo Security takes special care to have a positive impact on its stakeholders, who are key to developing each of its businesses: shareholders and investors, employees, customers, suppliers and the community as a whole.

The Bank and its subsidiaries aim to address the needs and interests of each stakeholder, based on respect for the dignity of the individual and the corporate values of closeness, transparency and professionalism.

STAKEHOLDER	INVESTORS /SHAREHOLDERS	CUSTOMERS
RELEVANCE	Investors provide resources to the Company in exchange for returns. Shareholders participate in the management of the business	They are the core business for the Bank and its subsidiaries, key to defining and implementing the comprehensive development and growth strategy.
SECURITY COMMITMENTS	Developing and maintaining information channels with stakeholders	Offering products and services that fully satisfy their needs Developing omnichannel solutions and continuously improving them Responsible care of personal information and data Promoting financial literacy Preventing and avoiding the financing of illicit practices
COMMUNICATION CHANNELS	Integrated Report Investor Relations Website	Account executives Institutional websites Institutional applications Self-service channels News media Digital channels (social media and Saber Suma blog) Complaint channel
ASSESSMENT METHOD	Annual general meeting Emails Online earnings presentations	Satisfaction surveys Economic Seminar Financial education podcasts and videos Webinar on national and international topics
UNIT IN CHARGE	Investor Relations	Business areas of the Bank and its subsidiaries Corporate Affairs Division

EMPLOYEES	COMMUNITIES	SUPPLIERS
This group is essential to the development and progress of the Bank and its subsidiaries	The development of solid and trusting relationships in the community allows the Company to ensure good results	Strategic partners in business development. Long-term relationships are developed with them, with shared values and principles, based on respect for and monitoring of the concepts addressed in the Group's Sustainability Policy
Respecting diversity, inclusion, anti-discrimination and gender equity. Developing talent management programs Ensuring comprehensive development and promoting work-life-family balance Developing quality-of-life benefits Developing occupational health and safety promotion programs. Developing ESG training and awareness-raising plans Promoting corporate volunteering	Developing financial literacy programs Supporting social well-being programs, particularly for the elderly and vulnerable families Supporting research and development programs aimed at promoting work-life-family balance. Promoting partnerships with higher education institutions to positively support research, innovation and entrepreneurship.	Maintaining honest and transparent relationships with each supplier Establishing performance monitoring criteria that consider issues such as human rights, occupational health and safety, environmental impacts, information management and reporting.
Mass emails Mi Aprendizaje Channel Ongoing training program Remote large-group meetings Virtual coffee breaks Mi Security App Digital channels (social media and Saber Suma blog) Somos Security Channel Complaint channel Aló Security telephone channel	Institutional websites Institutional applications Self-service channels News media Digital channels (social media and Saber Suma blog) Complaint channel	Institutional websites Complaint channel
Institutional websites Complaint channel	Economic Seminar Financial education podcasts, videos and newsletters Webinar on national and international topics Training workshops for women in vulnerable situations.	Emails
Corporate Culture Division	Corporate Divisions	Cost and Supplier Management Department Corporate Services Division

INVESTOR RELATIONS

[NCG 461 3.7.II, 3.7.III, 3.7.IV]

The Investor Relations (IR) area is **responsible for providing information to the market in general and for liaising actively with capital market agents,** such as investors, risk rating agencies, financial analysts and ESG rating agencies, among others.

The responsibilities of this area include providing information on financial and non-financial analysis, the evolution of the Company's business, its strategic focus and growth projections.

The unit regularly updates the Investor Relations website, which includes information on the Company's results, its Board of Directors, key executives and publications required by the regulator. It also organizes sell-side conferences, roadshows and the shareholders' and bondholders' meetings.

Likewise, in an effort toward ongoing improvements, in one-on-one meetings with investors, the area surveys relevant topics for this stakeholder group and also takes the opportunity to share news about the Company and its subsidiaries and address their concerns.

In addition, the IR unit periodically performs benchmarks to identify best practices of local and international players and implement them when preparing and disseminating disclosures to the market. No external expert advice is available for this purpose.

In 2024, a quarterly earnings presentation attendee satisfaction survey will begin to be conducted.


BANCO
security

SUSTAINABLE DEVELOPMENT GOALS

[NCG 461 4.2]

Through its Sustainability Policy, Banco Security is committed to helping achieve the Sustainable Development Goals (SDGs) by 2030.

Below are the main initiatives that the Group, the Bank and its subsidiaries have implemented to contribute to sustainable development.

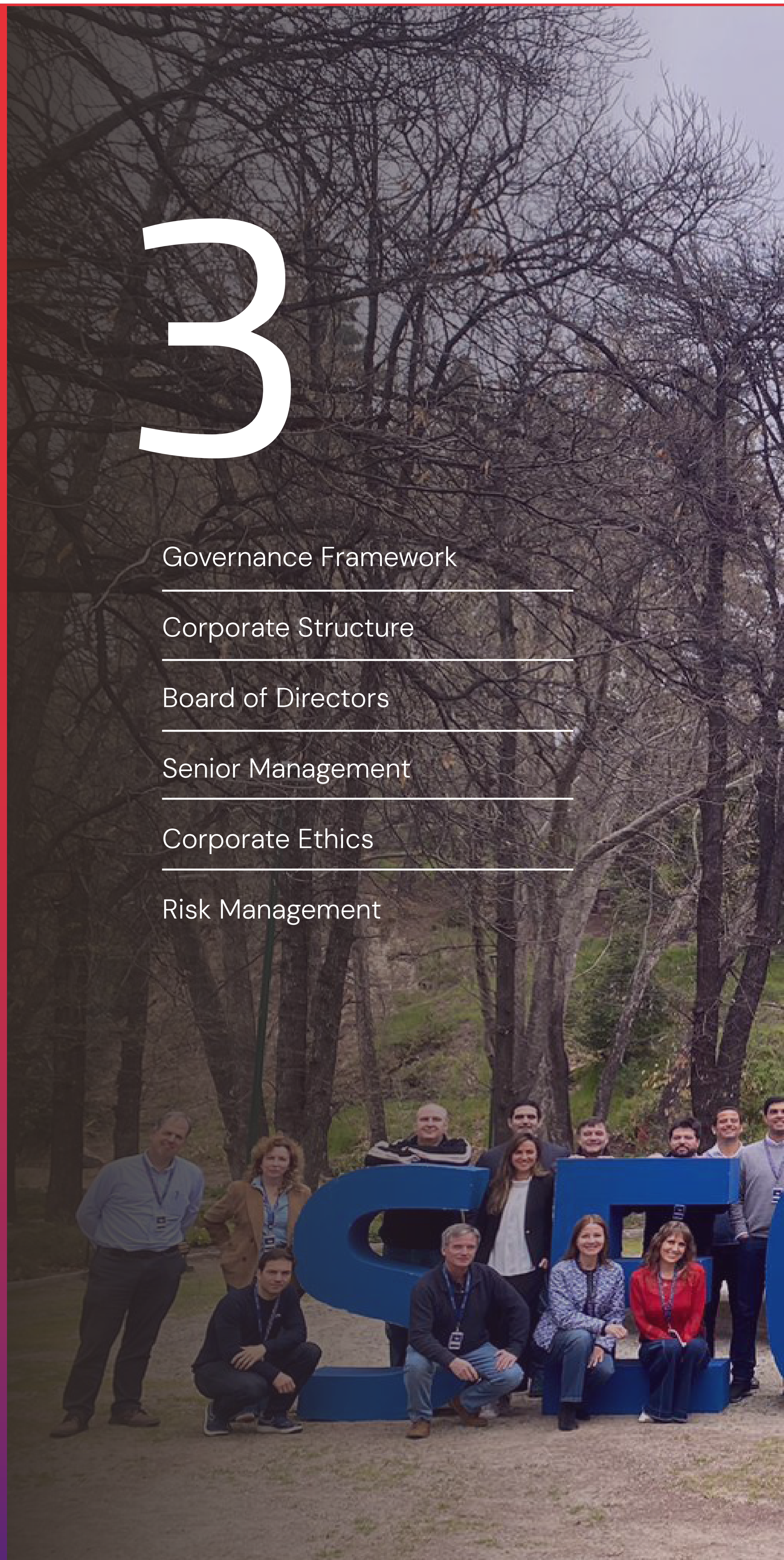

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
3 GOOD HEALTH AND WELL-BEING
13 CLIMATE ACTION
SUSTAINABLE DEVELOPMENT GOALS
4 QUALITY EDUCATION
5 GENDER EQUALITY
11 SUSTAINABLE CITIES AND COMMUNITIES
8 DECENT WORK AND ECONOMIC GROWTH


security

GOAL AND TARGETS	WAYS IN WHICH WE CONTRIBUTE	2023 INITIATIVES
3 GOOD HEALTH AND WELL-BEING TARGET 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing	• Offering protection products and services, as well as information related to preventive health. • Promoting employee benefits aimed at improving their wellbeing, focusing on prevention, physical care and mental health. • Supporting foundations that address health and improved living.	• Partnership with Betterfly, a benefits platform for employees that offers incentives to ensure their physical, mental and financial wellbeing. • "Vivo + Salud y Bienestar", a program to provide self-care tools. • Donations to Multidep, Casa de Acogida La Esperanza.
4 QUALITY EDUCATION TARGET 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. TARGET 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	• Making donations to different educational institutions and charities. • Partnerships with foundations that provide work tools for the reintegration of women in vulnerable situations and entrepreneurs to help them grow their businesses. • Open-source content channels on financial education. • Providing employees with ongoing opportunities to improve their (job) skills for current and future employment.	• Padre Hurtado scholarships. • Contributions and/or partnerships with the Nocedal Educational Foundation, Soymás Foundation, Simón de Cirene Foundation, Universidad Católica, Universidad de los Andes and Universidad del Desarrollo. • "Saber Suma" Blog: 50,000 website visits per month. • Security Seminar: more than 650 attendees and more than 500,000 views. • What Truly Matters (Lo Que De Verdad Importa or LQDVI), an education program on finance and other matters, in which more than 1,800 schoolchildren and 15 schools participated.
5 GENDER EQUALITY TARGET 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate . TARGET 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	• Having a policy in place to promote a culture that leverages the values of diversity and inclusion. • Ensure inclusive workplaces free of discrimination, where all people are treated fairly, regardless of their gender. • Banco Security has corporate policies aimed at reconciling work and family. This, together with the consistency of its implementation, supported by the entire corporate governance framework, has translated into actions and results that have encouraged women's participation.	• Partnership with Soymás Foundation. • Banco Security has key commitments that include respect for dignity, inclusive practices, equal opportunities and promotion of women's participation at all levels. • Partnership with the Work and Family Center (Centro de Trabajo y Familia) of the ESE Business School, Universidad de los Andes. • Compensation policy that aims to ensure proper internal equity, external competitiveness, attraction and retention of talent.

GOAL AND TARGETS	WAYS IN WHICH WE CONTRIBUTE	2023 INITIATIVES
8 DECENT WORK AND ECONOMIC GROWTH TARGET 8.5 By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	• Developing benefits with a focus on quality of life for its employees and the development of their job skills. • Partnerships with foundations that provide work tools for the reintegration of women in vulnerable situations and entrepreneurs to help them grow their businesses. • Implementing a new digital platform for talent management and development for all employees. • Offering small and medium-sized companies a digital platform for performing fast and simple factoring transactions.	• Partnership with Foundation for Entrepreneurship. • Elijo Crecer: Employee development program • Disability Inclusion Program: Created to provide employment opportunities for people with disabilities. • AutoFactoring • Mi Evolución, tu espacio para crecer (My evolution your space to grow), learning program open to employees
11 SUSTAINABLE CITIES AND COMMUNITIES	• Contributing to the acquisition of first homes for middle and low-income groups traditionally not served by banks. • Implementing energy efficiency measures at Group facilities. • Offering green investment fund focused on energy efficiency in the transportation sector.	• Electromobility investment fund launched by Inversiones Security in partnership with other companies. • Housing leases targeting the C2 and C3 segments.
13 CLIMATE ACTION	• Having a Sustainability Policy in place. • Managing its carbon footprint.	• Initiatives to reduce paper use. • Carbon Footprint measurement, committing to measuring and then managing. • Partnership with Kyklos, a circular economy company for the implementation of recycling and environmental education programs.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Promoting clear anti-corruption (KYC) and anti-bribery policies and conducting continuous training. • Transparent market information.	• Code of Ethics and Employee Code of Conduct. • Crime Prevention and Money Laundering Policy. • Conflict of Interest Policy. • Complaint channel. • Continuous training on Law No. 20,393 and its amendments

BANK GOVERNANCE



3

GOVERNANCE FRAMEWORK

[NCG 461 3.1.i, 3.1.ii]

Banco Security and its subsidiaries have a governance framework in place to ensure that all activities in their operations are consistent with the Company's purpose, culture and corporate values.

A culture that establishes, promotes and encourages the corporate values of transparency, professionalism and closeness.

The Board of Directors heads the corporate governance of Banco Security and actively participates in the Company's management, exercises control and evaluates its practices.

A robust corporate governance model that safeguards compliance with Chilean and banking industry regulations, with adequate internal control mechanisms.

It is responsible for approving the strategy and overseeing implementation, in accordance with the defined governance structures to protect shareholder and stakeholder interests.

Consistent with the business strategy, supported by a model that enables and enhances long-term value creation, in order to contribute to the Sustainable Development Goals and meet investor and customer needs.

It also determines internal controls to ensure smooth operations, data protection and cybersecurity, regulatory compliance and adequate risk management.

A defined, effective risk strategy that protects the Bank's interests and the efficient use of resources.

Banco Security's governance framework responds to the general guidelines provided by Grupo Security, Chilean regulations and regulatory agencies such as the Financial Market Commission (CMF).

It also incorporates the Three Lines of Defense (3LoD) Model from the Committee of Sponsoring Organizations of the Treadway Commission (COSO), aimed at identifying structures and processes that facilitate the achievement of objectives and promote sound governance in risk management.

SOME OF THE PARAMETERS THAT ENSURE PROPER CORPORATE GOVERNANCE INCLUDE:

[NCG 461 3.6.vii]

DILIGENT BOARD OF DIRECTORS

The Board of Directors plays a pivotal role in long-term strategic definitions and oversight, actively participates in the Company's decisions and is in permanent contact with senior management.

CORPORATE POLICIES

Framework of guidelines and policies that guide the Company's actions in areas such as sustainable development, risk management, conflicts of interest, anti-corruption, crime prevention, etc.

ETHICAL MANAGEMENT

Governance framework and policies to guide and supervise the entity's operations, such as the Code of Ethics, regulatory framework for compliance matters, Crime Prevention Model, supplier policy, among others.

COMPLIANCE MONITORING

The Company's performance is monitored through internal and external audits and regulatory bodies. This includes certification of the Crime Prevention Model (Law 20,393) and, especially, ongoing supervision by the CMF.

SUSTAINABILITY POLICY AND STRATEGY

Commitment to promote sustainability best practices as an essential part of corporate strategy and business development.

THREE LINES OF DEFENSE MODEL

Segregation of duties in risk generation and management and supervision of compliance with policies, methodologies and procedures are in line with best practices in risk management and monitoring.

MAIN POLICIES THAT SUPPORT STRATEGIC AND SUSTAINABLE DEVELOPMENT AT BANCO SECURITY

PROJECT THE FUTURE

Community Contributions Policy

Capital Management Policy

General Sustainability Policy

STRENGTHEN THE BUSINESS

Cybersecurity Policy

Politically Exposed Persons Policy

Crime Prevention Policy

Anti-Money Laundering and Counter Terrorism Finance Policy

Personal Data Protection Policy

LAY SOLID FOUNDATIONS

Wholesale Credit Policy

Retail Credit Policy

Margin Control Policy

Data Quality and Transparency Policy

Human Rights Policy

Know Your Customer Policy

CORPORATE STRUCTURE [NCG 461 3.1]

BOARD OF DIRECTORS

BOARD COMMITTEES

- Comprehensive Risk Committee
- Strategy and Capital Committee
- Audit Committee

CHIEF EXECUTIVE OFFICER

MANAGEMENT COMMITTEES WITH BOARD REPRESENTATIVES

- Credit Committee
- Operational Risk Committee
- Commercial Sales Committee
- Retail Sales Committee
- Commercial Investment Committee
- Compliance Committee
- Watch Committee
- Finance Committee
- Product Committee
- Management Committee

MANAGEMENT COMMITTEES

- Executive Credit Committee
- Liquidity Management Committee
- Physical Security Committee
- Fixed Asset Investment Committee
- Executive Watch Committee
- Operations and IT Committee
- Loan Restructuring Committee
- Hedging Committee
- Model Committee
- Classification Committee
- Data Committee
- Supplier Committee
- Regulatory Committee
- Crisis Committee
- Ethics Committee

BOARD OF DIRECTORS

[NCG 461 3.2.i]

The Board of Directors of Banco Security heads the corporate governance is charged with promoting the Company's corporate values and fulfillment of strategic objectives.

It performs crucial tasks and is actively involved in the management, monitoring and evaluation of corporate governance practices.

It is responsible for approving and supervising strategic matters, with a view to protecting the interests of stakeholders, and determines internal controls to ensure the smooth operations. It also ensures adequate data protection, regulatory compliance and efficient risk management.

Renato Peñafiel Muñoz

Chairman

Business administration, Pontificia Universidad Católica de Chile, master's in economics, University of Chicago.

6.350.390-8 | Since **Aug 01, 1994**

Ramón Eluchans Olivares

Vice-Chairman

Business administration, Pontificia Universidad Católica de Chile.

6.464.460-2 | Since **Aug 11, 2022**

Hernán Errázuriz Correa

Director

Law, Pontificia Universidad Católica de Chile.

4.686.927-3 | Since **Sep 16, 1994**

Jorge Marín Correa

Director

Technical-professional degree in finance and marketing; graduate studies in finance and marketing, and the ESE Senior Management Program.

7.639.707-4 | Since **Aug 01, 1994**

Juan Cristóbal Pavez Recart

Director

Business administration, Pontificia Universidad Católica de Chile and MBA, Massachusetts Institute of Technology (MIT).

9.901.478-4 | Since **Dec 18, 2020**

Fernando Salinas Pinto

Director

Business administration and MBA, Pontificia Universidad Católica de Chile, and Stanford Executive Program, Stanford University.

8.864.773-4 | Since **Aug 11, 2022**

Bonifacio Bilbao Hormaeche

Director

Business administration, Pontificia Universidad Católica de Chile.

9.218.210-K | Since **Apr 25, 2020**

Mario Weiffenbach Oyarzún

Alternate Director

Business administration and accounting, Universidad de Chile.

4.868.153-0 | Since **Mar 25, 2019**

Ignacio Ruiz-Tagle Vergara

Alternate Director

Business administration, Pontificia Universidad Católica de Chile.

6.068.262-3 | Since **Mar 25, 2019**

Hernán Felipe Errázuriz Correa is the only independent director and meets the independence requirements set forth in No. 3 of Chapter 1-15 of the RAN.

BOARD SKILLS AND EXPERIENCE MATRIX

[NCG 461 3.2.iv]

The Board of Directors has extensive experience in a variety of topics related to its duties and oversight of the business and its operations:

- 78% **Regulated industries** and regulator relations
- 56% **Crisis management** and business continuity
- 78% **Financial reporting** and internal control
- 44% **Sustainability**
- 78% **Financial** services industry
- 56% **Human resource** management
- 78% **Finance and capital** management
- 44% **Cybersecurity** and data protection
- 67% **Compliance** and risk management
- 67% **Customer, marketing** and data management

BOARD ADVISING AND TRAINING [NCG 461 3.2.iii]

Banco Security has a budget allocated by shareholders at the annual general meeting to hire consultants. Each director is empowered to formally request the Board of Directors, when he/she deems it appropriate, to use this budget, which must be approved by a simple majority of the Board.

In 2023, the directors were trained internally on the Regulatory Capital Self-Assessment Report (IAPE), the Internal Liquidity Adequacy Assessment Process (ILAAP) and other Basel III matters. These advisory services were provided by the consulting firm "Management Solutions," or MS.

There were also training sessions with external lawyers and specialists on the Economic Crimes Law and the draft Data Protection Law, provided by Baker McKenzie.

BOARD COMPOSITION

[NCG 461 3.2.xiii.b, 3.2.xiii.c, 3.2.xiii.d, 3.2.xiii.e]

STANDING DIRECTORS **7**

ALTERNATE DIRECTORS **2**

INDEPENDENT DIRECTORS **11%**

CHILEAN NATIONALITY **100%**

NO. OF DIRECTORS BY AGE RANGE

More than 70 years old	22%
61 - 70 years old	56%
51 - 60 years old	22%

Note: There are no directors with disabilities.

BY YEARS OF SERVICE

Less than 3 years	33.3%
3 - 6 years	33.3%
More than 12 years	33.4%

BOARD OPERATIONS [NCG 461 3.2.viii, 3.2.x, 3.2.xii.a, 3.2.xii.b, 3.2.xii.d]

The Board of Directors meets at least once a month on a previously determined date. Before each of these meetings, a reminder email is sent with the agenda for the day.

Extraordinary sessions must be called at least 48 hours in advance.

Directors may participate in person or by telephone or video conference. The minutes of each meeting specify the manner in which they were presented.

Banco Security has an extranet containing the final minutes and documents reviewed for each session. Within 10 banking days, the secretary proposes the minutes of the meeting, which are reviewed by the directors. Once any observations are incorporated, the minutes are signed and forwarded to the Chief Executive Officer to be sent to the Financial Market Commission (CMF) and uploaded to the platform.

The site contains an archive available from 2011 to date, and has a sorting mechanism that facilitates indexing and searching for information. All of this information is physically available at the Bank's main offices.

16 REGULAR MEETINGS

6 SPECIAL MEETINGS

4 AVERAGE DURATION (HOURS)

(*) In 2023 the Board of Directors did not make field visits.

BOARD NOMINATIONS AND ONBOARDING

[NCG 461 3.2.v]

The directors are elected with the votes of the controlling shareholder Grupo Security S.A.

The Bank's Board of Directors Operating Regulations define an onboarding process for new directors, which consists of a series of meetings with the CEO and division managers to address aspects such as:

- **Principles of the Bank's corporate governance,** its bylaws and rules
- **Bank policies**
- **Main risks and** and mitigation tools
- **Bank's strategic priorities,** capital management, risk appetite and main financial and non-financial metrics
- **Interviews** with the CEO and other departments deemed appropriate by the CEO and/or Chairman
- **Legal and regulatory framework** applicable to the institution, the Board and directors

Customer Experience Teams - Commercial Banking

BOARD EVALUATION

[NCG 461 3.2.ix, 3.2.ix.a, 3.2.ix.c]

The Board of Directors carries out an annual self-evaluation process.

Through an anonymous questionnaire, this process aims to review and verify compliance with the financial industry standards issued by the Financial Market Commission (CMF). This is expected to identify and guarantee the best corporate governance practices and, if necessary, plan the actions required to bring about change.

Each year before this self-evaluation, the directors review the current regulations applicable to its responsibility and work, and define the matters to be rated later in the self-evaluation.

The aspects evaluated include the **diversity of knowledge, experience and expertise** that each member brings to the Board.

The results are reviewed at a meeting of the Board of Directors highlighting the items with the highest and lowest scores, as well as data trends in recent years. With this information, opportunities for improvement and possible actions to deepen relevant aspects for its management and knowledge are analyzed.

Note: Given that this process satisfactorily identifies the most important areas for the Board's attention, we have not considered an external evaluation of the Board's performance.

CRISIS SITUATIONS

[NCG 461 3.2.xi]

Banco Security has a governance framework for crisis situations, defined by the Business Continuity and Incident Policy and overseen by the Crisis Committee. To this end, strategies, plans and procedures for crisis management, contingency actions and emergencies have been developed and are continuously updated.

The business continuity model focuses on crisis management, operational contingency, emergency response and continuity of technological services.

In the event of a contingency or crisis situation, no changes in the Board’s internal organization are foreseen. However, the participation of management or consultants may be requested to assess the situation in a multidisciplinary and comprehensive manner.

MEETINGS WITH KEY TEAMS

[NCG 461 3.2.vi, 3.2.vii, 3.3.vi]

In order to efficiently oversee and manage issues relevant to the business, the Board of Directors holds regular meetings with strategic areas.

RISK MANAGEMENT

Comprehensive management of risks, including aspects related to stress tests, exceptions to risk policies, operational risk in particular, environmental matters, among others.

Frequency
Monthly

EXTERNAL AUDITORS

Presentation and review of financial statements

Frequency
Twice a year

INTERNAL AUDIT

Reviewing the Annual Audit Plan and Audit Committee reports, and addressing issues related to operational and compliance risk, as well as cybersecurity

Frequency
Monthly

Note: All of these meetings are attended by the CEO and/or other senior executives.

COMPLIANCE

The main topics include:

- Politically Exposed Person (PEP) Policy
- Anti-Money Laundering and Counter Terrorism Financing (AML/CFT)
- Law No. 20,393 on Criminal Liability of Legal Entities
- Statement of Observations from Internal Audit and the Financial Market Commission (CMF)

Frequency
Quarterly

Through the Sustainability Strategy, we are working on involving the Board of Directors in environmental and social matters. Similarly, issues related to suppliers and corporate culture are directly addressed by the Board of Directors.

BOARD COMMITTEES

[NCG 461 3.3.i, 3.3.ii, 3.3.v, 3.3.vii]

COMPREHENSIVE RISK COMMITTEE

Role and duties

Support the Board in fulfilling its responsibilities of supervising risk management at the Bank and its subsidiaries in line with their strategic objectives.

Monitor the different risks managed by the Bank, by approving and sanctioning relevant aspects of risk management, in accordance with the Company's risk appetite.

Frequency
At least monthly

Reporting to the Board of Directors
12 times

	2022	2023
Participating directors	Renato Peñafiel Ramón Eluchans Bonifacio Bilbao Ignacio Ruiz Tagle	Renato Peñafiel Ramón Eluchans Bonifacio Bilbao Ignacio Ruiz Tagle

Executive in charge: **Alberto Oviedo,** Risk Division Manager, Banco Security

Main consulting services contracted

Risk rating agencies:

- Fitch Rating, UF 1,294.
- ICR, UF 323.
- S&P, UF 1,167.

Training related to data protection by Baker & McKenzie for UF 196.

For more details on the main duties and activities of the year, please see appendices.

AUDIT COMMITTEE

Role and duties

Ensure maintenance, application and operation of the internal controls of the Bank and its subsidiaries.

Monitor compliance with the rules and procedures governing them.

Review, evaluate, control and support the function and independence of the Internal Control Department.

Coordinate the tasks between internal and external audit, serving as a liaison between them and the Bank's Board of Directors.

Frequency
At least eight meetings per year

Reporting to the Board of Directors
9 times

	2022	2023
Participating directors	Hernán Felipe Errázuriz (Independent Director) Mario Weiffenbach Jorge Marín	Hernán Felipe Errázuriz (Independent Director) Mario Weiffenbach Jorge Marín

Main consulting services contracted
Audit of financial statements 2024, by EY Chile, equivalent to UF 5,397.41.

For more details on the main duties and activities of the year, please see appendices.

STRATEGY AND CAPITAL COMMITTEE

Role and duties

Validate, approve and follow up on proper strategy and capital management by the Bank and its subsidiaries.

Ensure compliance with the capital requirements established by regulators and identify local and international best practices in this matter.

Frequency
4 meetings per year

Reporting to the Board of Directors
4 times

	2022	2023
Participating directors	Renato Peñafiel Fernando Salinas Jorge Marín Juan Cristóbal Pavez	Renato Peñafiel Fernando Salinas Jorge Marín Juan Cristóbal Pavez

Executive in charge
Eduardo Olivares, CEO, Banco Security

Main consulting services contracted
Basel III training provided by Management Solutions, equivalent to UF 1,300.

For more details on the main duties and activities of the year, please see appendices.

BOARD COMPENSATION [NCG 461 3.2.ii, 3.2.xiii.f, 3.3.iii]

Director	Board Fees		Committee Allowance		Attendance Allowance	
	2022	2023	2022	2023	2022	2023
Renato Peñafiel Muñoz	0	0	0	0	1,125	1,200
Ramón Eluchans Olivares	693	0	7,264	7,336	1,125	1,745
Hernán Felipe Errázuriz Correa	693	0	270	1,040	1,200	1,970
Jorge Marín Correa	693	0	240	900	1,200	2,045
Juan Cristóbal Pavez Recart	0	0	0	0	1,125	1,125
Bonifacio Bilbao Hormaeche	1,018	0	0	6,259	1,200	1,970
Mario Weiffenbach Oyarzún	0	0	270	900	75	300
Ignacio Ruiz Tagle Vergara	148	0	0	5,195	225	286

Note 1: Renato Peñafiel's compensation as Chairman is paid by Grupo Security.
Note 2: The gender pay gap does not apply because there are no women.
Note 3: In 2024, the payments to directors are reordered to allocate 100% to Committee and Attendance allowances.

SENIOR **MANAGEMENT**

[NCG 461 3.4.i]

Banco Security has a workforce of highly qualified and experienced professionals, who guide and promote the development of outstanding financial solutions.

Eduardo Olivares Veloso

Chief Executive Officer

Business administration, Universidad Adolfo Ibáñez, and MBA from The Tuck School of Business at Dartmouth.

9.017.530-0 | Since **Mar 9, 2020**

Christian Sinclair Manley

Commercial Banking Division Manager

Business administration, Universidad de Santiago de Chile.

6.379.747-2 | Since **Oct 1, 2004**

Hitoshi Kamada

Asset Management Division Manager

Economics, Universidad de Cuyo, and MBA, Universidad del CEMA, Buenos Aires.

21.259.467-9 | Since **Dec 1, 2019**

Paulina Las Heras

Retail Banking Division Manager

CPA, Universidad de Santiago de Chile.

11.833.738-7 | Since **Dec 2, 2019**

Alberto Oviedo Obrador

Risk Division Manager

Business administration, Pontificia Universidad Católica de Chile, and MBA, ESE, Universidad de Navarra, Barcelona.

10.382.134-7 | Since **Apr 15, 2020**

Nicolás Ugarte Bustamante

Finance and Corporate Division Manager

Business administration, Pontificia Universidad Católica de Chile.

7.033.564-6 Since **Mar 1, 2007**

Manuel Widow Lira

Planning and Control Division Manager

Business administration, Universidad Adolfo Ibáñez, and MBA, Pontificia Universidad Católica de Chile.

11.648.339-4 Since **Jun 1, 2013**

Daniela Rosas Hucke

Bank Culture Manager

Psychology, Pontificia Universidad Católica de Chile.

13.890.445-8 Since **Nov 16, 2020**

Enrique Menchaca

General Counsel

Law, Pontificia Universidad Católica de Chile.

6.944.388-5 Since **Sep 1, 2004**

Sergio Mierzejewski Lafferte

Operations and Technology Division Manager

Information and management control engineering and accounting, Universidad de Chile.

10.590.650-1 Since **Jul 12, 2023**

Matías Morales Muñoz

Digital Manager

Industrial engineering, Universidad Adolfo Ibáñez.

16.302.619-8 Since **Jul 19, 2021**

CORPORATE STRUCTURE [NCG 461 3.1]

CHIEF EXECUTIVE OFFICER, BANCO SECURITY

- ASSET MANAGEMENT DIVISION
- COMMERCIAL BANKING DIVISION
- RETAIL BANKING DIVISION
- RISK DIVISION
- PLANNING AND MANAGEMENT DIVISION
- CORPORATE FINANCE DIVISION
- OPERATIONS AND TECHNOLOGY DIVISION
- DIGITAL DIVISION
- BANK CULTURE DIVISION
- GENERAL COUNSEL

COMPENSATION AND INCENTIVE PLANS

[NCG 461 3.4.ii, 3.4.iii, 3.6.xi, 3.6.xii]

Grupo and Banco Security have a Compensation Policy, reviewed annually by Grupo Security's Compensation Committee, which is not submitted to a vote by the shareholders.

The Company in particular has an Incentive Model that applies to the CEO, division and support area managers and deputy managers, which has five objectives:

- **Attracting and retaining talent.**
- **Aligning bonus amounts with earnings growth and ROE.**
- **Providing the Board with an ongoing review methodology to ensure that the executives' objectives are consistent with the entity's strategy.**
- **Defining bonuses in line with the market.**
- **Requiring minimum annual earnings growth.**

This model includes quantitative and qualitative indicators. The latter are mainly related to leadership competencies, which are measured at the group, company, area and individual level.

Aggregate expense
in senior management compensation
(in millions of Chilean pesos)

2022 **CH$3,785**

2023 **CH$4,359**

SUCCESSION PLAN

[NCG 461 3.6.x]

The Senior Management Appointment Policy seeks to ensure business continuity and stability. It provides the Bank with a framework for action in the event of planned or unplanned changes in leadership.

Its main purposes are to promote organizational movements that ensure qualified leadership, with the appropriate level of competencies and a cultural fit with the Security Hallmark, and to define interim appointments when the CEO or other senior executives are absent.

The CEO and Board of Directors are responsible for correctly implementing this policy.

CORPORATE ETHICS

In compliance with Law 20,393, **the Bank has a model for preventing, detecting and responding to crimes such as bribery, corruption and others**, which is reviewed annually and certified biannually by an external party.

The Compliance Department is responsible for keeping the compliance program up to date with regulatory changes. Employees participate in annual training on this subject, which helps to keep operations consistent with these ethical and transparent conduct guidelines.

CRIME PREVENTION MODEL [NCG 461 3.6.xiii]

PREVENTION

Crime Prevention

Communication and Training

- Appointment of the Crime Prevention Officer
- Means and powers
- Prevention Policy
- Code of Ethics
- Code of Conduct
- Prevention Regulations
- Internal Order, Hygiene and Safety Rules
- Prevention Manual
- Prevention Committee
- KYC: Know Your Customer Sheet
- OFD: Origin of Funds Declaration
- Politically Exposed Person Disclosure Statement
- Training
- Employment contract addendum
- Supplier contract addendum
- Dissemination of Complaint Channel
- Publication on intranet
- Prevention newsletters
- Semiannual CPO Report

DETECTION

Identification of Crime Risks

- Identification of technological platform risks
- Warning signs
- Internal Audit
- External Audit
- Monitoring system
- Complaint Channel
- Certification of Crime Prevention Model

RESPONSE

Monitoring

Response Plan

- Investigation protocol
- Internal sanctions

SUPERVISION AND CERTIFICATION

REGULATORY COMPLIANCE [NCG 461 8.1.4, 8.1.5; SASBFN-CB-510a.1]

Banco Security did not incur any penalties or fines in 2023 in relation to Law 20,393 on criminal liability of legal entities and antitrust matters.

CONFLICTS OF INTEREST [NCG 461 3.1.iii]

The Company has a policy framework that explicitly covers the identification, disclosure, control and management of conflicts of interest, as well as any related prohibited conducts.

These documents form a set of norms comprised by the Code of Ethics, the Code of Conduct, the Conflict of Interest Policy and the Related Party Transactions Policy.

COMPLAINT CHANNEL [NCG 461 3.2.xii.c, 3.6.ix; SASB FN-CB-510a.2]

Banco Security's complaints hotline is available to anyone wishing to report possible violations of their rights, anonymously, confidentially and safe from retaliation.

The channel is managed by the Compliance Department, which receives and evaluates all complaints. It is hosted on an external server and is available on both the Company's intranet and website.

CORRUPTION, MONEY LAUNDERING AND FINANCING OF TERRORISM [NCG 461 3.1.iii]

The programs implemented by the Compliance Department, including the program for compliance with Law 20,393, cover corruption and bribery offenses, among others. In accordance with this law, the Company has a certified Crime Prevention Model and a Crime Prevention Officer.

This area also has a unit to prevent money laundering and the financing of terrorism. It leads a prevention program, which considers all the necessary procedures to prevent such situations. This program consists of the following elements:

POLICIES

- Anti-Money Laundering and Counter Terrorism Finance Policy
- Know Your Customer Policy
- Politically Exposed Persons Policy
- Anti-Money Laundering and Counter Financing of Terrorism Manual
- Correspondent Banking Policy
- Crime Prevention Policy

PROCESSES AND CONTROL PROCEDURES

- Customer Risk Profiling
- Customer Monitoring
- Operations Monitoring
- Due Diligence of Complaints
- Due Diligence for Emerging Risks
- Alert Management and Due Diligence of Unusual Transactions
- Suspicious Transaction and Cash Transaction Reporting
- Critical Control Monitoring and Reporting

RISK **MANAGEMENT**

[NCG 461 3.6.i]

Banco Security takes a comprehensive approach to risk management, aligned with the strategic plans and risk appetite approved by the Board, which incorporates international best practices and the institution's experience over the years.

The Board of Directors also oversees the risks of the Bank and its subsidiaries. Its work includes setting policies and monitoring compliance, as well as addressing capital management issues.

The Bank also has a structure that ensures effective segregation of roles and responsibilities among the various committees in order to comply with the implementation of Basel III regulations.

In 2023, the Risk Division added the Non-Financial Risk Department and the Regulatory Reporting Unit to its structure to achieve more integrated synergic management.

RISK MANAGEMENT GOVERNANCE

[NCG 461 3.6.iv, 3.6.v]

Defining roles and responsibilities **allow the Bank to maintain ongoing control over its subsidiaries,** their performance, their risk management and to react promptly to risk events.

Comprehensive risk management governance is spearheaded by its Board, which actively participates in the management of the Company. It is in charge of approving and supervising the strategic guidelines, as well as setting the internal checks that ensure the smooth running of the business, regulatory compliance and adequate risk management. The following parties are also involved:

COMPREHENSIVE RISK COMMITTEE

Assists the Board in monitoring the management of the different risks and in accordance with the Bank's risk appetite and strategic guidelines. It defines policies, guidelines and methodologies, and monitors actions to correct risk levels, among others.

STRATEGY AND CAPITAL COMMITTEE

This incorporates risk governance into the capital governance structure and involves the areas of the Controller and internal validation on different capital aspects. It also proposes and ensures the metrics associated with capital management, in line with the risk appetite.

PLANNING AND MANAGEMENT DIVISION

Responsible for capital management and connecting capital to the management of each business.

RISK DIVISION

In charge of managing credit, financial and non-financial risks.

COMPLIANCE DEPARTMENT

Responsible for compliance risk management, through the implementation of compliance programs for the entire legal and regulatory framework governing the Bank and its subsidiaries.

Regarding the governance structure of the subsidiaries, the Bank's Subsidiary Control Policy includes **the guidelines to be maintained by Banco Security in its role as parent company.**

According to this document, the Bank uses a model for interacting with its subsidiaries that defines the management and control areas for each type of risk: credit risk, financial risk, operational risk and compliance risk.

The model considers corporate communication and control from the parent company to its subsidiaries.

RISK DETECTION AND IDENTIFICATION

[NCG 461 3.6.iii]

As part of its continuous risk management, **the Company develops an annual risk profile analysis, which includes:**

1. **Identifying risks and defining materiality**, meaning those with the potential and likelihood of causing a financial or strategic impact.

2. **Conducting an in-depth study to determine the scope of the risks and their impact on the business,** which considers metrics, thresholds and scores.

3. **Performing a control environment analysis based on the self-assessment in chapter 1-13 of the CMF Updated Compilation of Standards (RAN),** which considers matters like credit risk management, financial (market, banking book market and liquidity), non-financial (operational), compliance, money laundering, ESG, business strategy management, capital management and quality and service. This information is included in the questionnaires of this fiscal year, in order to provide a comprehensive view of the control environment implemented by the organization.

4. **Informing and communicating the results of the risk profile study to the Bank's Board of Directors**, through the Comprehensive Risk Committee. The latter also monitors the process on a monthly basis and ensures effective communication of the risk appetite framework to the entire organization in terms that are easy to understand. The Board of Directors is responsible for providing the regulator (CMF) with all information related to the process.

MAIN RISKS

[NCG 461 3.6.ii.a, 3.6.ii.e]

CREDIT RISK

Credit risk metrics seek to assess the probability that a customer will default on their financial obligations. They help determine the level of risk associated with lending to individuals, businesses or other entities.

CONCENTRATION RISK

It seeks to assess the Bank's degree of exposure to concentration of risk in a particular subset of its debtors (individual or sector).

MARKET RISK

The risk associated with fluctuations in the value of a portfolio of financial instruments that are subject to purchase and sale transactions in financial markets. Market risk metrics seek to evaluate and quantify this risk.

BANKING BOOK MARKET RISK

The risk faced by the Bank due to fluctuations in the value of its trading and investment positions held in its banking book. Net interest margin (NIM) stress and economic value of equity (EVE) rate risk are metrics used in financial management.

LIQUIDITY RISK

Liquidity risk metrics, such as LCR (liquidity coverage ratio) and NSFR (net stable funding ratio), are used to assess and measure the Bank's ability to meet its short-term payment obligations, both under expected and stressed conditions.

OPERATIONAL RISK

Operational risk metrics seek to measure the Bank's exposure to financial losses arising from failures in processes, internal systems, people or external events, considering mobile operational risk rates, incidents reported to the CMF and others.

MONEY LAUNDERING AND TERRORISM FINANCING RISK (AML/CFT)

AML/CFT risk metrics are designed to help the Bank identify, prevent and mitigate the risks associated with money laundering and terrorist financing activities.

COMPLIANCE RISK, INCLUDING LEGAL RISK

The risk to which the Bank is exposed in relation to compliance with regulations, internal policies and ethical standards. Compliance metrics are critical to ensure that the Bank complies with relevant laws and regulations, as well as to prevent penalties and fines.

STRATEGIC RISK

Strategic risk metrics seek to evaluate and measure the risk associated with the Bank's ability to achieve its strategic objectives and maintain its competitive position in the market. These metrics are critical to effectively identify and manage risks that could affect our strategic direction and ability to generate long-term value.

ESG RISKS (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)

ESG factors are important for investments and other stakeholders as they impact long-term sustainability and financial performance. Banco Security is gradually implementing a climate risk exposure monitoring program, which will be incorporated into the credit approval process. The Company also adheres to the Equator Principles in all matters relating to project finance.

CAPITAL RISK

Capital or solvency metrics are used to assess the Bank's ability to cover its risks and ensure its financial soundness. They are critical in determining the ability to absorb potential losses and meet regulatory capital requirements.

REPUTATIONAL RISK

The aim is to quantify and evaluate the Bank's exposure to events or situations that could damage its reputation. One aspect that is often measured is organizational climate.

ANTITRUST RISK

[NCG 461 3.6.ii.c]

Banco Security participates in a highly competitive industry subject to strict regulatory and supervisory standards.

To measure this risk, the Company relies strict internal rules for the use and handling of sensitive information, a product development process that incorporates regulatory analysis and a Conduct Committee that takes action in the event of acts that impact regulatory compliance.

The Bank is also concerned with ensuring transparency in the information it provides to its customers and the market in general.

RISK MANAGEMENT AND CONTROL

[NCG 461 3.6.i, 3.6.iv, 3.6.v, 3.6.vi]

The Company guarantees the efficient control and management of risks through the Three Lines of Defense Model, which defines roles and responsibilities in this regard.

RISK AREAS

Credit

Liquidity

Market

Strategic

Operational

Compliance

Reputational

SHAREHOLDERS' MEETINGS

BOARD OF DIRECTORS

AUDIT COMMITTEE

BOARD COMMITTEES

OTHER SUPPORT COMMITTEES

CHIEF EXECUTIVE OFFICER

REGULATORY AND CONTROL BODIES

Regulators

Risk rating agencies

External auditors

1ST LINE

Every department that is exposed to risks as they do their job.

Their function is to ensure that risk exposure is aligned with the Company's approved risk appetite and within the corresponding limits. They also have primary responsibility for managing risks and implementing corrective measures to address process and control deficiencies.

2ND LINE

Risk management units.

Their objective is to oversee and challenge the risk management activities of the first line of defense to ensure consistency with the risk appetite.

3RD LINE

Internal Audit, which exercises its role independently,

since it is ultimately responsible for verifying strict and effective compliance with the policy and processes related to risk control and management.

RISK COMMUNICATION AND TRAINING

[NCG 461 3.6.viii]

Up-to-date knowledge is a basic element of risk culture, since it can determine attitudes towards risk acceptance and management. Therefore, the Board of Directors of Banco Security, through its Comprehensive Risk Committee, is responsible for the effective dissemination of the processes related to this matter to all members of the Bank.

To this end, mechanisms, actions and ongoing training are established to disclose the risk appetite in the organization, particularly with commercial staff and for third parties with legitimate interests on the subject.

RISK STRUCTURE

RISK ASSESSMENT AND CONTROL SYSTEM	
Identification of risks and definition of materiality	Risk level assessment
Control environment analysis	Information and communication

MANAGING RISKS INHERENT	
Credit risk	Financial risk
Operational risk	Market risk
Information security and cybersecurity	Money laundering and terrorism financing risk
Liquidity risk	Banking book market risk

KEY PROCESSES FOR RISK PROFILING

Creation → Approval → Communication

TO THE BANKING BUSINESS

Business strategy and capital management

Reputational risk

Strategic risk

Legal risk

MANAGING EMERGING RISKS

Identification of risks and definition of materiality

Control environment analysis

ESG RISKS

Monitoring

Control

STRESS TESTING [SASB FN-CB-550a.2]

Stress testing is a risk management tool that warns of the impacts of unexpected adverse events related to a number of risks, providing an indication of how much capital might be needed to absorb unanticipated losses in the event of large shocks to the ecosystem.

These tests are mainly aimed at conducting an ongoing assessment of the Bank's solvency, especially to determine possible effects on capital adequacy within the scope of the Basel standards in force in Chile, in accordance with international best practices.

Furthermore, stress tests are used to complement the risk management system and the Bank's planning and management tools.

Stress testing also allows the Bank to:

- Feed the capital planning procedures, anticipating situations that could jeopardize the Bank's solvency in order to adjust management priorities.
- Provide support to assess the need for corrective actions, including the adequacy of regulatory capital, helping develop contingency or risk mitigation plans under a variety of stress conditions.
- Promote good risk management practices, with a prospective focus, overcoming the limitations of models and historical data.
- Support the process of establishing the Bank's risk tolerance.

Stress test exercises output the capital consumption associated with each of the material risks and the different lines of business, and should be in line with the internal regulatory capital target. The total capital requirement will be the simple sum of the capital required to cover each of the material risks independently.

From the stress test, it should also be determined whether the Bank complies, and with what margin, with the regulatory requirements in the different scenarios, particularly considering the objective and internal limits defined in the Capital Policy and regulatory requirements at all levels.

STRESS TEST FREQUENCY

Stress testing is conducted at least every six months, during the budget planning period and during the IAPE evaluation.

Additionally, stress testing is performed when requested by the CMF, the Strategy and Capital Committee (CEC) or the Comprehensive Risk Committee (CIR), either because a relevant potential risk is observed in the planning horizon (three years), because of a change in the material risk profile, or because we are entering a period of contingent stress, among other reasons.

Given the above, additional tests may be performed according to business requirements and for strategic decision making, as they are key to a good risk culture and management.

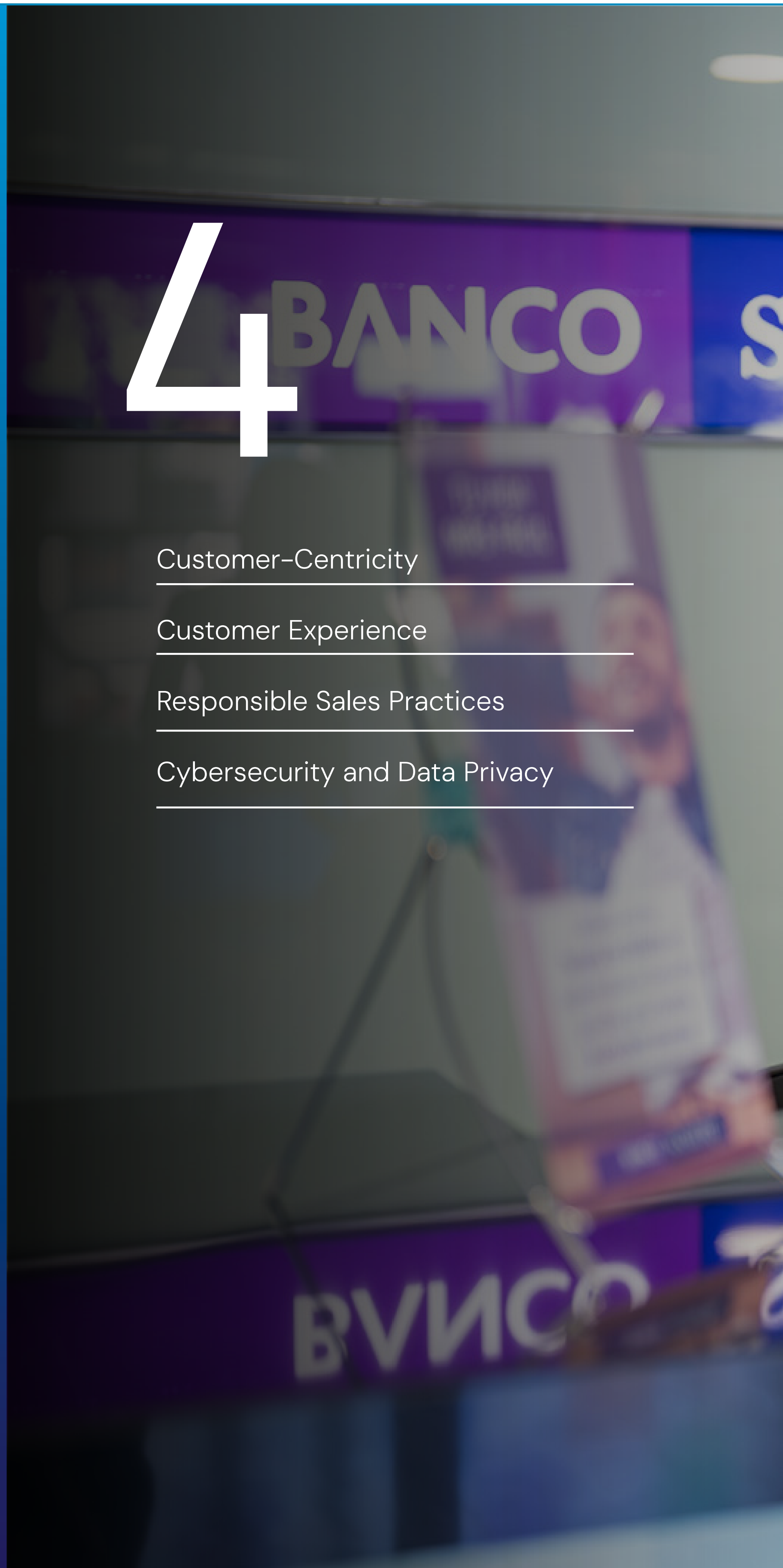
INCORPORATION IN THE STRATEGY

Strategic planning is designed taking into account the impact of the medium-term projection (3 years) of business and financial variables, both in base and stress scenarios, on the different financial and non-financial risks. These risks are framed within risk appetites that allow the Bank to maintain sufficient capital to face potential scenarios of greater stress.


BANCO
security

CUSTOMER-CENTRICITY

4




security

CUSTOMER-CENTRICITY

106,752* CUSTOMERS OF BANCO SECURITY AND SUBSIDIARIES

* Total Customers considers unique personal Tax ID numbers, which can be customers of both the Bank and its subsidiaries.

73,842 BANCO SECURITY CUSTOMERS

19,811	COMMERCIAL BANKING
86,941	RETAIL BANKING
32,910	AGF AND VALORES SECURITY CUSTOMERS

3,509,530 SECURITYPASS TRANSACTIONS

32,322	CUSTOMERS ENROLLED
79%	CONSUMER LOANS SOLD ONLINE

84% VERY GOOD EXPERIENCES
In Retail Banking service

85% NET PROMOTER SCORE
For retail banking customers

1st PLACE
Customer Confidence Index for the financial industry and membership categories, Universidad Adolfo Ibáñez.

3rd PLACE
PXI Customer Experience Ranking, mid-sized banking institutions sector.

CUSTOMER EXPERIENCE

Banco Security's purpose of building a better world through financial solutions inspires the value proposition it has built for its services to customers and users.

The Company is concerned that its executives build long-term relationships with those they serve, to deeply understand their needs and offer them adequate, effective solutions, thereby delivering an exceptional experience.

The Bank has an experience management and monitoring model, composed of three service pillars.

SERVICE PILLARS

Understanding and managing the customer experience

Understand customer needs, emotions and opinions.

Banco Security has studies that provide early knowledge of the customer experience, allowing us to identify any abnormal situations and take prompt corrective actions.

Continuous improvement

Strengthen the link between customers and the Company, by designing and implementing exceptional products and services delivered at each point of contact.

Ensuring high-value products and services

Incorporate customer expectations in the design of products and services to generate solutions tailored to their needs.

In 2023, several initiatives were carried out
to boost the loyalty of Banco Security's customers

Redesigning the welcome experience, to accelerate the process of using and getting to know the Company, thus enabling customers to experience the value proposition more quickly.

Various benefits are offered during the first months of the relationship, reinforcing contact with the account executive to provide timely advice based on lending, asset management and protection needs.

Expanding benefits, enhancing the Gourmet Route, which offers great discounts and daily coverage at a selection of Chile's best restaurants.

Along the same lines, we redesign this section on the website and mobile application, improving the user experience, grouping the more than one hundred discounts in stores together in a clear, simple way.

In addition to these milestones, the Company continued to promote different training opportunities with customers, through breakfasts, webinars and seminars covering relevant topics in economics, politics and the regional and international situation.

IMPULSA PROGRAM

Commercial executives are the basis for delivering exceptional service, so **the Bank is concerned with giving them the necessary tools** to do their job professionally, with transparency and closeness.

Impulsa is a **continuous training program for the Retail Banking Division,** aimed at providing the necessary knowledge to perform their role effectively and in accordance with the Bank's value proposition.

In 2022, more than 170 account executives participated, and in 2023 additional service channels were incorporated, bringing the total to 217 people trained.

EXPANDING THE DIGITALIZATION PROCESS

In 2023, Banco Security focused much of its work on the digital customer experience, to improve processes and ensure agile, efficient responses to customers. Two initiatives worth highlighting are the newly launched **Security Hub** and **Security Up**.

Security Up offers completely digital onboarding, through an agile, transparent flow that allows customers to acquire all the products included in a checking account, teaching them about our customized financial product portfolio from the start of the digital onboarding process.

Security Hub is a Bank platform with APIs for customers of the Commercial Banking Division, considered an important first step towards the world of Open Banking.

SERVICE QUALITY

Banco Security and its subsidiaries aim to be the bank with the best customer experience for its business segments.

Since 2020, we have been working under the *Amor por la Marca* (APM) methodology, which fuses current communication trends and technologies with biology and neuroscience, helping us understand what customers feel and think after their interactions with the Company's different channels.

Specialized teams periodically monitor and analyze the results, identifying underperforming processes and developing improvement initiatives together with the business and support areas.

This improved and enhanced our experience management, allowing customers' voices to be heard early and promptly in each of the channels. It also allows the Bank to respond more quickly and attentively to the initial signs of a breakdown and be able to resolve them immediately.

Thanks to our efforts, the Bank has consistently improved its customer experience evaluations, reaching record levels in 2023 with a net promoter score of 85%.

COMPLAINT MANAGEMENT

Banco Security's commitment is to respond to its customers properly and promptly.

A specialized team with well-defined protocols and deadlines supervises complaint management on a daily basis.

Through this follow-up, repetitive, relevant and/or unusual situations are monitored and reported to the corresponding areas for continuous improvement.

2023 VS. 2022 ↘

↘ 9%	DECREASE IN COMPLAINTS FILED
↘ 17%	DECREASE IN RATE OF COMPLAINTS TO REGULATORS

91%

of cases are resolved within the set nine-day period.

REPONSIBLE SALES PRACTICES

Transparency is key in building long-term customer relationships. Consequently, one of Banco Security's values and core commitments is to provide free, clear information on rates, prices and relevant conditions of products and services.

We constantly strive to provide easy-to-understand information that facilitates informed decision-making by customers, working to ensure that this information is reliable, relevant and complete, and that it covers everything involved with contracting a given product or service.

This information is also presented in a way that makes it easy to compare with similar products offered by competing banks.

DEVELOPING TRANSPARENT PRODUCTS

The Bank and its subsidiaries, as part of Grupo Security, have a **product creation process that formally involves the Legal and Compliance departments**. They provide legal and specific advice on the requirements and applicable regulatory compliance, including Law 19,496 on the Protection of Consumer Rights.

The product development process also defines the stages of information to be provided to customers and the areas in charge. In accordance with current legislation, a formal document is delivered via email with all the characteristics of the contracted service or product.

REGULATORY COMPLIANCE

[NCG 461 8.1.1]

Banco Security has a **process for monitoring and ensuring proper implementation of standards through compliance programs**. This also includes critical regulatory controls, such as those related to the protection of consumers' rights.

In 2023, the Company was fined twice under Law 19,946 on Consumer Rights, amounting to 50 UTM. These cases involved unknown charges on credit cards.

Furthermore, in December, the Bank was fined 2,500 UF for not promptly refunding insurance premiums paid and not accrued to a group of customers who prepaid loans, due to an incident that has already been resolved.

CYBERSECURITY AND DATA PRIVACY

[NCG 461 3.6.ii.b; SASB FN-CB-230a.1, FN-CB-230a.2]

As digitalization expands, **the Bank must ensure proper and exceptional management of cybersecurity and data protection** in order to provide reliable, secure service to customers and users.

In line with current trends, the Bank's management identified an increase in network traffic on its infrastructure, which required increased monitoring to prevent attacks on the Company. Phishing and spearphishing campaigns were detected, targeting both employees and customers.

Against this backdrop, Banco Security complemented its organization-wide cybersecurity risk matrix, which covers supply chain security, access rights, common attacks such as DDoS, malware and phishing and management of technological obsolescence, high privileges, vulnerabilities and incidents.

For each risk, controls and mitigation plans were implemented to minimize the likelihood of occurrence and impact.

The Company also has technology in place to permanently monitor the Bank's entire infrastructure, helping identify and manage any opportunities for improvement. The latter is accompanied by ongoing employee training in cybersecurity and information security.

CYBERSECURITY RISK MANAGEMENT

The Bank's approach is based on the three lines of defense model.

1 First Line

Implements policies, identifies and evaluates risks, including opportunities for improvement, and performs actions to strengthen the cybersecurity control environment.

2 Second Line

The Non-Financial Risk Department defines the guidelines for ongoing management by the organization, assessing risks on a regular basis, regardless of their risk level. This allows us to monitor and perform mitigating actions, where necessary.

3 Third Line

The Internal Audit Department monitors and evaluates the work done by the previous lines.

During the year, activities related to data protection and response to potential cybersecurity incidents were carried out.

Assessments on the degree of adherence to the technical standards used by the Company as a benchmark for cybersecurity management, including legal requirements and as an entity regulated by the CMF.

Further ethical hacking exercises, expanding the coverage of both assets and service providers.

Simulation exercises of ransomware and data leakage incidents, both internal and at the financial industry level.

DATA PRIVACY

Banco Security has a Privacy Policy, in compliance with Law 19,628 on personal data protection, the General Banking Law and other regulations related to the safekeeping, protection, privacy, and confidentiality of personal data.

This policy defines how to treat the data and for what purpose: commercial or marketing, risk, recruitment and customer services, statistics, among others. It also outlines the framework for data communication, data security and data processing, among others.

The regulatory framework for this process was strengthened in 2023, adding the role of Data Protection Officer (DPO) and preparing periodic reports for government agencies.

In 2023, the Company identified no privacy breaches, losses and/or leaks of customer data.

SECURITY CULTURE

5


Premiación Años de Antigüedad

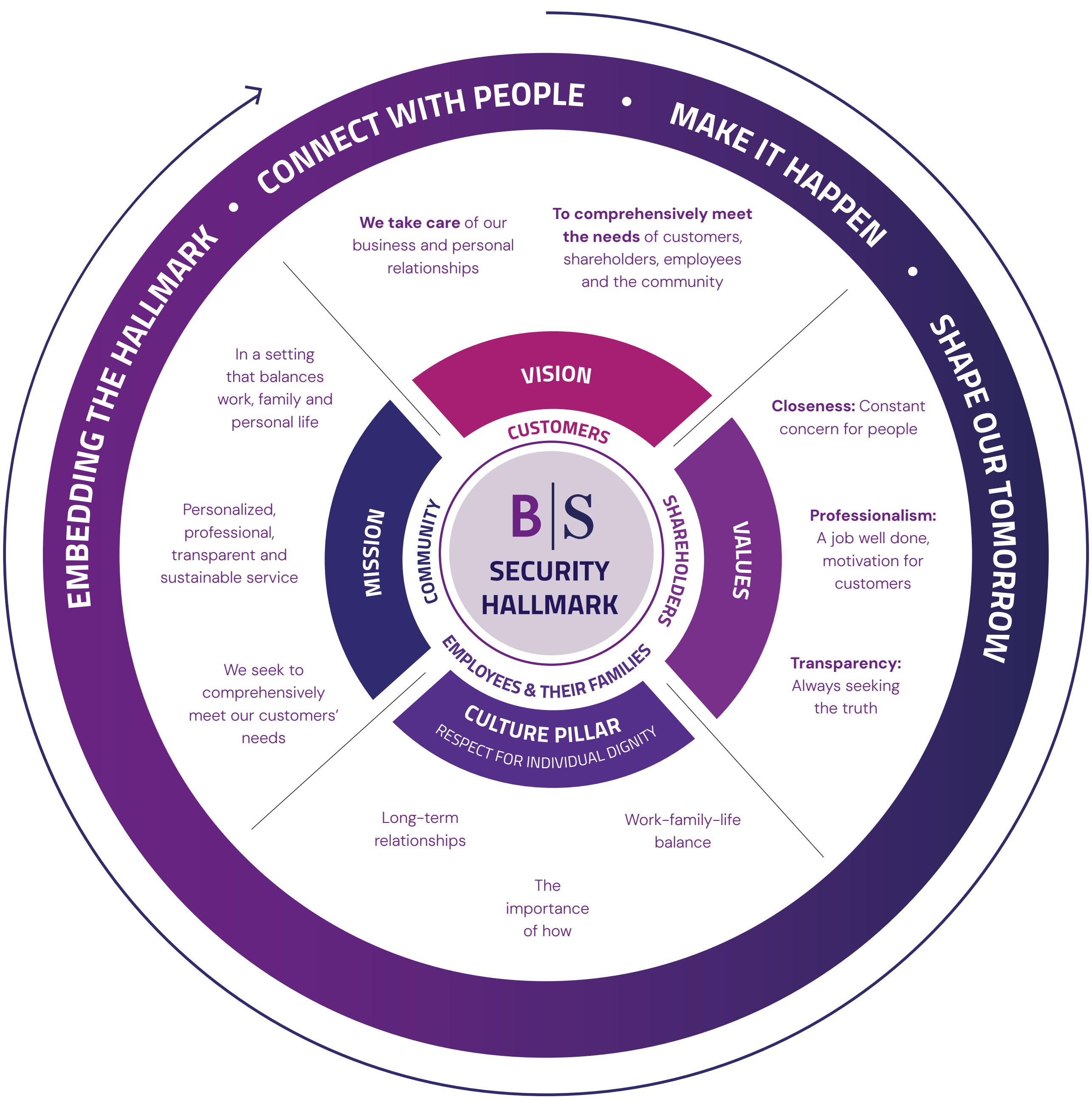
A CULTURE WITH THE **SECURITY HALLMARK**

In its more than 30 years of history, Banco Security stands out for putting its employees front and center, with the conviction that the success of the business is directly linked to its excellent professionals.

Banco Security believes that the basis for sustainable development and business growth is the promotion of the professional and personal skills of its teams, allowing each one of them to develop comprehensively.

The Company promotes its Security Hallmark every day, which summarizes the corporate culture and its main pillar: respect for individual dignity.

This hallmark is a key performance indicator that guides the daily work of each person within the organization.




1er lugar
¡Celebremos juntos!
GRUPO security

PRINCIPLES OF THE SECURITY HALLMARK

CONNECT WITH PEOPLE

Each person is unique and irreplaceable and, therefore, deserves respect. Connecting with people means respecting everybody's individuality, caring about each other and being a place where everyone can fully develop in order to unfold their maximum potential.

- **Appreciate and recognize**
- **Communicate with empathy**
- **Develop and empower**

SHAPE OUR TOMORROW

The Company operates under the conviction that the only way to succeed is to become a team, working collaboratively between departments, operations and companies. Things are accomplished with excellence and simplicity, prioritizing and acting swiftly even when faced with challenges. It turns strategy into execution and execution into results, maintaining the highest ethical standards.

- **Networking and commitment**
- **Simplify and accelerate**
- **Get results**

MAKE IT HAPPEN

The Bank fosters an inclusive environment in which people are invited to share their views openly and honestly with a forward-looking approach. We are committed to making a difference, challenging traditional ways of working and continually improving and promoting solutions that respond to the needs and expectations of the different stakeholders.

- **Listen and learn**
- **Challenge and transform**
- **Make a difference**

CULTURAL PILLAR

The Security Hallmark is based on respect and care for people, which is reflected throughout all operations and efforts. Banco Security reflects this commitment in three main areas.

WORK-FAMILY-LIFE BALANCE

We strive each day to make sure all employees can successfully harmonize their personal and professional lives.

THE IMPORTANCE OF HOW

The manner in which objectives are achieved not only defines the organizational culture, but also constitutes the hallmark, strength and main competitive advantage of the Bank and its subsidiaries.

LONG-TERM RELATIONSHIP

The Bank fosters an inclusive environment in which people are invited to share their views openly and honestly with a forward-looking approach. We are committed to making a difference, challenging traditional ways of working and continually improving and promoting solutions that respond to the needs and expectations of the different stakeholders.

The Company works in three main areas to ensure that the values, pillars and the Security Hallmark are properly implemented:

LEADERSHIP

Strengthen the culture of leadership that encourages training of others

Leaders are living examples and training agents for their teams. Through various training stages, such as leadership workshops and courses, they are provided with tools to support individual and group growth. An award is given every year to the BEST group, made up of outstanding management leaders evaluated on aspects such as work environment and performance.

ETHICAL CULTURE

Make a positive impact on society by promoting ethical practices in the work environment

Ongoing training is provided to employees to promote awareness and ethical habits, avoiding unethical business practices. The training covers the Security Hallmark, the Code of Ethics, the Code of Conduct, and the prevention of crimes and money laundering, among others, thereby having a positive impact on society.

SYSTEMS AND PROCESSES

Materializing the organizational culture values

Operationalization of principles and values seeks to put the ethical dimension into practice in the business and work environment. It includes performance evaluations, recognition programs, work climate assessments, the Security Hallmark award, and the Integration award, among others.

We have implemented the initiative "Promoting the Security Hallmark" (Impulsando el Sello Security) since 2022, which incorporates the different principles, habits and behaviors that are promoted in internal processes.

The initiative aims to prepare all employees to face current and future challenges, strengthening the capabilities that make the Bank a unique place for its employees and customers.

PROGRESS ON SECURITY HALLMARK PROJECTS

PERFORMANCE MANAGEMENT INDICATOR

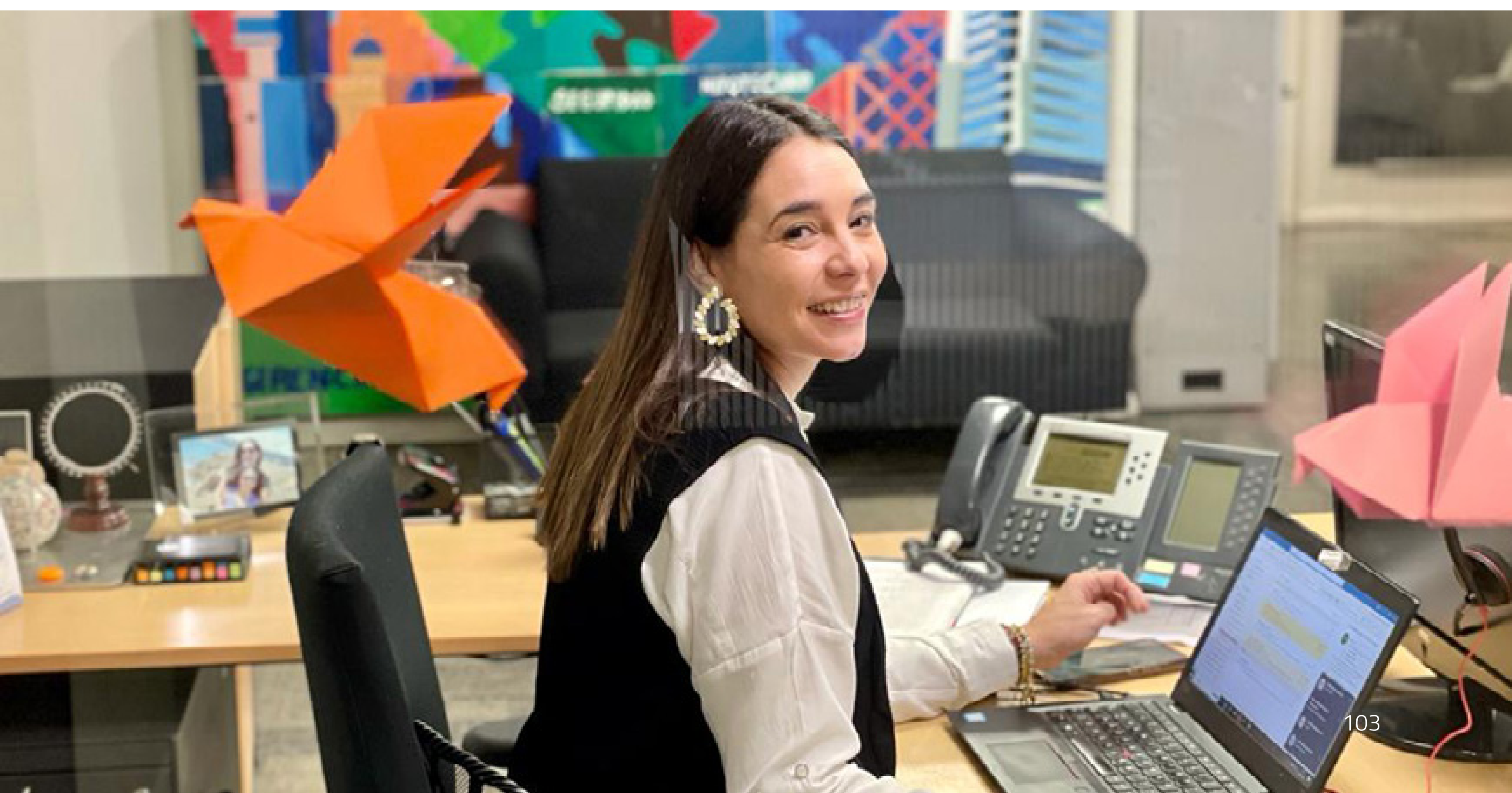
In 2023, 96.92% of Banco Security's employees had their performance appraised for the nine behaviors of the Security Hallmark.

SECURITY HALLMARK AWARD

It emphasizes professional, close and transparent work. In 2023, nine Banco Security employees received awards.

RECOGNITION PROGRAM

In 2023, we worked on strengthening the corporate award program so that by 2024 employees will be awarded based on the Hallmark principles.



CREATING A PATHWAY FOR THE EMPLOYEE WORK EXPERIENCE

Since 2023, the Corporate Culture Division at the Group level has promoted the "Employee Value Proposition," which strengthens people's experiences throughout their professional lives.

Through a collaborative, interactive process with employees at all levels, the project has identified the experience based on key moments of professional development.

EMPLOYEE VALUE PROPOSITION PROCESS

STAGE 1 — **Understand context and research** the experience

STAGE 2 — STAGE 3 — **Develop archetypes** and value propositions

STAGE 4 — **Road map** for transformation

GRUPO SECURITY: THE BEST PLACE TO WORK IN CHILE

GREAT PLACE TO WORK RANKING

In 2023, Grupo Security ranked first among the Best Places to Work in Chile.

Furthermore, for the third consecutive year it ranked among the top places in the ranking of Best Places to Work for Women and climbed to ninth place on the list of the Best Places to Work in Latin America.

THE SECURITY TEAM [NCG 462 5.1.1, 5.1.2, 5.1.5]

Banco Security's team is distinguished by its closeness, professionalism and transparency, collaborating in a socio-demographically diverse workplace with coworkers of different ages, professions, genders and skills.

EMPLOYEES

1,361

♂ 709

♀ 652

WORKFORCE BY GENERATION

6.2% BABY BOOMERS

45.4% GEN X

45.5% MILLENIALS

3.4% GEN Z

38 Foreigners

8 People with disabilities

8.2% Under the age of 30

57.5% Over the age of 41

39.1% Women in executive positions

32.9% Women in leadership positions

5.53% Voluntary turnover

8.1 Average years of service

0.07% Accident rate

3.5% Absenteeism rate

EMPLOYMENT CONTRACTS

[NCG 461 5.2]

OPEN-TERM	FIXED-TERM
98.75%	1.25%

WORKPLACE FLEXIBILITY

[NCG 461 5.3]

REGULATED HOURS	UNREGULATED HOURS
26.23%	73.77%

GROWTH CULTURE

Banco Security promotes the comprehensive growth of its employees, in a safe environment that fosters their growth and wellbeing.

Thanks to this, in addition to initiatives focused on labor flexibility and work-life balance, the Company creates a workplace where its employees can develop their full potential.

TALENT ATTRACTION AND RETENTION

In order to have the best talent and a team that shares the values and the Security Hallmark, the Bank has talent attraction programs designed to differentiate and effectively respond to business needs.

Priority is given to succession and internal mobility, guaranteeing transparent, impartial and consistent processes. In addition, two programs focused on inclusion and talent development were implemented to promote equal opportunities.

#ADD TALENT PROGRAM

Seeks to attract, retain and develop young graduates, in order to nurture talent with the prospect of future integration in one of Security's companies.

DISABILITY INCLUSION PROGRAM

Provides employment opportunities for people with disabilities. The Company relies on specialized consulting firms for recruiting, onboarding and follow-up during the first few months of employment. The objective is to address their needs, support them and the team, and facilitate their adaptation process.

YEARS OF SERVICE [NCG 461 5.1.4]

WOMEN

Less than 3 years	3 - 6 years	6 - 9 years	9 - 12 years	More than 12 years
33.7%	15.9%	11%	15.7%	23.7%

MEN

Less than 3 years	3 - 6 years	6 - 9 years	9 - 12 years	More than 12 years
31.6%	16.5%	8.7%	11.4%	23.6%

WORKPLACE FLEXIBILITY

Thanks to the Our Way of Working (Nuestra forma de trabajar) program, the Bank facilitates hybrid work for employees who can work remotely.

In line with the Company's commitment to work-life-family balance, we promote labor flexibility, which increases employee satisfaction with their work and maximizes productivity for customers and the fulfillment of objectives.

Prior to the enactment of the law to reduce working hours, Banco Security had already implemented a 40-hour work week and obtained certification from the Chilean Ministry of Labor and Social Security.

WORK MODE [NCG 461 5.3]

FULLY IN PERSON	HYBRID
46.6%	53.4%

PROMOTING WELLBEING

One of the Company's main objectives is to promote the comprehensive development of its employees. Therefore, the Bank is concerned with providing a wide variety of benefits focused on health care, family life and personal growth.

These benefits complement compensation and are extended to the entire team with an open-term contract.

BETTERFLY

Banco Security uses this platform **to promote the wellbeing of its employees.**

This system transforms healthy habits into purposeful social giving and integrates life insurance whose coverage grows daily at no cost to the employee.

It also provides financial protection and tools focused on prevention and care for physical, mental and financial wellbeing.

BENEFITS [NCG 461 5.8]

INSURANCE	
Health and catastrophic event insurance	Supplemental insurance for reimbursement of benefits not covered and catastrophic event insurance that is activated when the supplemental insurance reaches its maximum limit.
Life Insurance	Fully financed by the Company. Triggered in case of death for an amount of UF 1,000.
Life insurance (24 monthly salaries)	Co-funded insurance that is activated in the event of death with an indemnity of 24 gross monthly salaries.
Dental insurance	Reimbursement of dental expenses.

WORKING CONDITIONS	
Legal bonuses	A percentage of the base salary is given to people without monthly commissions and with a salary of less than UF 108 in the months of March and December.
Quarterly cost-of-living adjustment	Salary adjustment provided that the CPI change is positive.
National holiday bonus	Bonus of UF 5.
Christmas bonus	Bonus of UF 6.
Vacation bonus	Bonus for taking 10 or more working days of vacation in a row.
Exercise breaks	Exercise breaks in all Grupo Security offices.

FAMILY	
Childcare	Daycare tuition and monthly fee capped at $220,000 until the child is two years old.
Childcare assistant bonus for mothers	Bonus of CH$300,000 for mothers who waive their right to daycare and hire a childcare assistant to care for their child up to 2 years of age.
Childcare assistant bonus for fathers	Bonus to hire qualified personnel to help with the care of children during their first month of life.
Scholarship for children	Application for a scholarship for children who are beginning their studies.
Schooling bonus	Bonus of UF 3 per school child.
Preschool bonus	CH$70,000 bonus for children between two and four years of age attending preschool.
Birth bonus	UF 6 bonus per child born.
Childbirth gift	Gift for the birth of a child and publication of the event in Mi Security.
School gift	Gift for all employees' children up to the last year of high school
Christmas gift	A gift of choice for children up to 14 years of age.
Academic Excellence Award	An award of CH$75,000 to the children of employees who achieve a grade average of 6.5 or higher in high school.
PAES Award	Award of CH$130,000 to all children who have performed well on the Chilean Higher Education Access Test (PAES).
Marriage / civil union bonus	Bonus in case of marriage or civil union for UF 15.
Marriage / civil union	Seven days off in case of marriage or civil union.

FAMILY	
Child inclusion bonus	Bonus granted to each employee with one or more child with a certified disability greater than or equal to 60%.
Bereavement benefit	Financial support for death in the immediate family of UF 15.
Bereveament (children born or unborn, parent, siblings and in-laws).	From two to 15 days off under these painful circumstances.
Family outing	A fun afternoon in Fantasilandia amusement park with family and colleagues.
Securitylandia	For children between 7 and 13 years of age, we have trained staff in charge of specialized programs.
30 hours for family	30 hours per year to harmonize the different roles.
Afternoon off during children's school breaks	Two afternoons off during children's school breaks.

PERSONAL	
Banco Security Loans	Loans with preferential conditions
Retirement savings 1+1 matching program	If the employee has an APV (voluntary pension fund), the Company contributes an equivalent amount which is paid at the end of each year.
Housing subsidy	Given for the purchase of a first home, expansion, or to repay debt.
Leave for residential moves	One day per house move.
Preventative check-ups	Half day for preventive check-ups.
24 hours for you	24 chronological hours (three work days) per year for personal matters.
Thesis defense	One day off.
Flexible afternoon	One full week of remote work.
Day off per month for studies	12 days off per year for studies.

OTHER BENEFITS	
National independence day celebration	Office celebrations during Independence Day week.
Cueca lessons	National Chilean dance lessons during August.
End-of-year party	Costume party with a surprising theme every year-end.
Fun Fridays	Break up the Friday routine with fun activities and giveaways coming to a work station.
Gifts and celebrations on special days	For Mother's Day, Father's Day, Women's Day, Grandparents' Day, Easter, Christmas, among others.
Special discounts	Discounts at Movistar, dental clinics, bookstores, restaurants.

REGULATORY COMPLIANCE

[NCG 461 8.1.2]

In 2023, Banco Security was not issued enforceable penalties related to labor or employee non-compliance, nor was it subject to labor protection actions.

The Bank filed nine lawsuits for guardianship, eight of which have been closed by settlement agreement without enforceable penalties and one of which is still pending.

TRAINING AND PROFESSIONAL DEVELOPMENT

[NCG 461 5.8.i, 5.8.ii, 5.8.iii, 5.8.iv]

MCH$489,7 — **Amount allocated** to training

0.115% — **Of total annual revenues**

100% — **Employees** trained

22,8 — **Average hours of** annual training

20.4% — **Average hours of** annual training Women

23,5 — **Average hours of** annual training Men

In line with the policy implemented by Grupo Security, the Bank established a learning and development model that addresses the professional growth needs of its employees. With this model, everyone is expected to reach their full potential.

The main initiatives focus on continuous feedback, recognition, development objectives and learning spaces.

My Evolution Program

Promotes continuous learning, providing self-management of personal development. The employee can choose which aspect to enhance, offering a unique and personalized experience. This platform consolidates all information regarding growth within Security, including My Talent Development, the Onboarding process and Performance Management.

My Talent Development

This program is carried out with the support of an external consulting firm, which evaluates leaders' performance and potential. This, in order to build a customized action plan according to the improvement opportunities identified and providing tools for their professional development.

Performance Management

Annual evaluation process that provides an overall view of qualitative and quantitative aspects of the employee. It integrates the co-definition of objectives, follow-up and feedback throughout the year, self-assessment, evaluation and feedback from management. With this, each team should be able to address its opportunities to improve and strengthen its development.

A DIVERSE AND SAFE GROUP

[NCG 461 5.1.1, 5.1.2, 5.1.3, 5.1.5]

0.59% INDIVIDUALS with disabilities

12 NATIONALITIES

♀ **47.9%**

♂ **52.1%**

EMPLOYEES BY NATIONALITY

CHILE	1,323	ECUADOR	2
VENEZUELA	15	BOLIVIA	1
COLOMBIA	6	BRAZIL	1
PERU	5	CHINA	1
SPAIN	3	CUBA	1
ARGENTINA	2	MEXICO	1

EMPLOYEES BY AGE GROUP

Under 30 years	30 - 40 years	41 - 50 years	51 - 60 years	61 - 70 years	Over 70 years
8.2%	34.3%	32.6%	20.9%	3.8%	0.1%

EMPLOYEES BY YEARS OF SERVICE

Less than 3 years	3 - 6 years	6 - 9 years	9 - 12 years	More than 12 years
34.1%	16.9%	10.3%	14.1%	24.6%

STAYING DIVERSE

[NCG 461 3.1.vi, 3.1.vii, 3.2.ix.b, 5.4. 1]

Providing exceptional service is based on having close relationships with our customers, which requires people who are committed to the corporate culture. One of the Company's major commitments has been to create a positive environment that enhances the quality of life of all its employees and their families.

In order to maintain this environment, surveys, feedback and the Business Partner model are used to identify organizational barriers that may limit inclusion within the Company. These obstacles, mainly attitude-related, are managed through talks and training on gender, disability, age, leadership training, among others.

DIVERSITY AND INCLUSION POLICY

The Diversity and Inclusion Policy provides guidelines for managing diversity, helping build a respectful, bias-free environment that values differences.

The policy considers key commitments that include respect for dignity, inclusive practices, equal opportunities and promotion of women's participation at all levels.

Its implementation is the responsibility of the Culture Division, thus contributing to an enriching work environment and creating innovative solutions.

The Diversity and Inclusion Policy seeks to maintain impartial and unbiased selection and internal mobility processes, always prioritizing people's skills over their personal characteristics.

Equal opportunities are provided for employees' access to employment and professional growth, and all recruitment processes seek to ensure that there is diverse participation at all levels of the Company.

COMPENSATION POLICY

The Compensation Policy establishes a framework for managing fairness, competitiveness, attraction and retention of talent.

Its objective is to adequately and consistently regulate employee compensation, respecting the legal framework, the approved budget and market information.

The policy considers the following general principles:

Retention of talent that delivers value to the organization, through a competitive compensation package that includes fixed compensation, variable incentives and monetary and quality of life benefits.

Compensation commensurate with the degree of responsibility and complexity of the position.

Objective **recognition** of individual contributions through quantitative and qualitative performance assessment.

Variable **incentives** through the achievement of individual and organizational goals.

Work and reporting structures appropriate to the business processes.

WAGE GAP [NCG 461 5.4.2]

EMPLOYEE CATEGORY	BY AVERAGE	BY MEDIAN
SENIOR MANAGEMENT AND MANAGEMENT	92.9%	101.9%
SUPERVISORS	84.0%	88.8%
OTHER PROFESSIONAL STAFF	92.5%	92.2%
SALES FORCE	60.2%	71.2%
ADMINISTRATIVE STAFF	92.9%	96.0%

WORKPLACE AND SEXUAL HARASSMENT [NCG 461 5.5]

Banco Security's Human Rights Policy discloses and formalizes its commitment to the respect and protection of human rights. In it, the Company commits itself and all its members to ensure a friendly work environment, free of workplace and sexual harassment.

This document is a general guideline for the Bank and its subsidiaries.

Workplace and sexual harassment is also addressed in the Group's Code of Ethics and Code of Conduct, which establishes penalties for those who commit such actions. The Internal Order, Hygiene and Safety Rules also establish investigation mechanisms for each case.

Since 2023, the Company has been working to incorporate human rights and labor and sexual harassment options into the central complaint channel.

Despite the measures taken by the Company, in 2023 a complaint was received for workplace harassment, which was handled in accordance with due process.

MATERNITY AND PATERNITY SUPPORT [NCG 461 5.7]

In line with one of the principles of our organizational culture, Banco Security has a series of benefits that promote work-life-family balance.

The Company seeks to provide support during the first months of maternity and paternity, offering special opportunities beyond those regulated by Chilean law.

FLEXIBLE MATERNITY LEAVE

To help women gradually reconcile their work and parenting roles, we offer to make the workday more flexible in two ways:

Full-time maternity leave:
Gradual return to work with shifts ending at 4:00 p.m. during the eight weeks after a new mother returns to work.

Half-day maternity leave:
Half-day rest is extended until the child is ten months old, and then a gradual return to work until 4:00 p.m. for the following two months.

PATERNITY LEAVE

A flexible work schedule during a child's first month of life, in addition to the five legal days of paternity leave.

USE OF PARENTAL LEAVE	ELIGIBLE PEOPLE	PEOPLE WHO USED THE BENEFIT	AVERAGE DAYS
♀ **Maternity leave** (12 weeks)	30	100%	84
♀ **Extended maternity leave** (Full time for 12 weeks)	30	100%	84
♂ **Paternity leave** (12 weeks)	15	100%	5
♂ **Extended paternity leave** (Full time for 12 weeks)	15	0%	-

WORKPLACE HEALTH AND SAFETY [NCG 461 5.6]

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SAFETY COMMITMENTS

Comprehensive approach
to workplace health and safety

Risk prevention
for occupational accidents or diseases

Strict compliance
with regulations

Encouraging dialogue
and participation of employees and their representatives

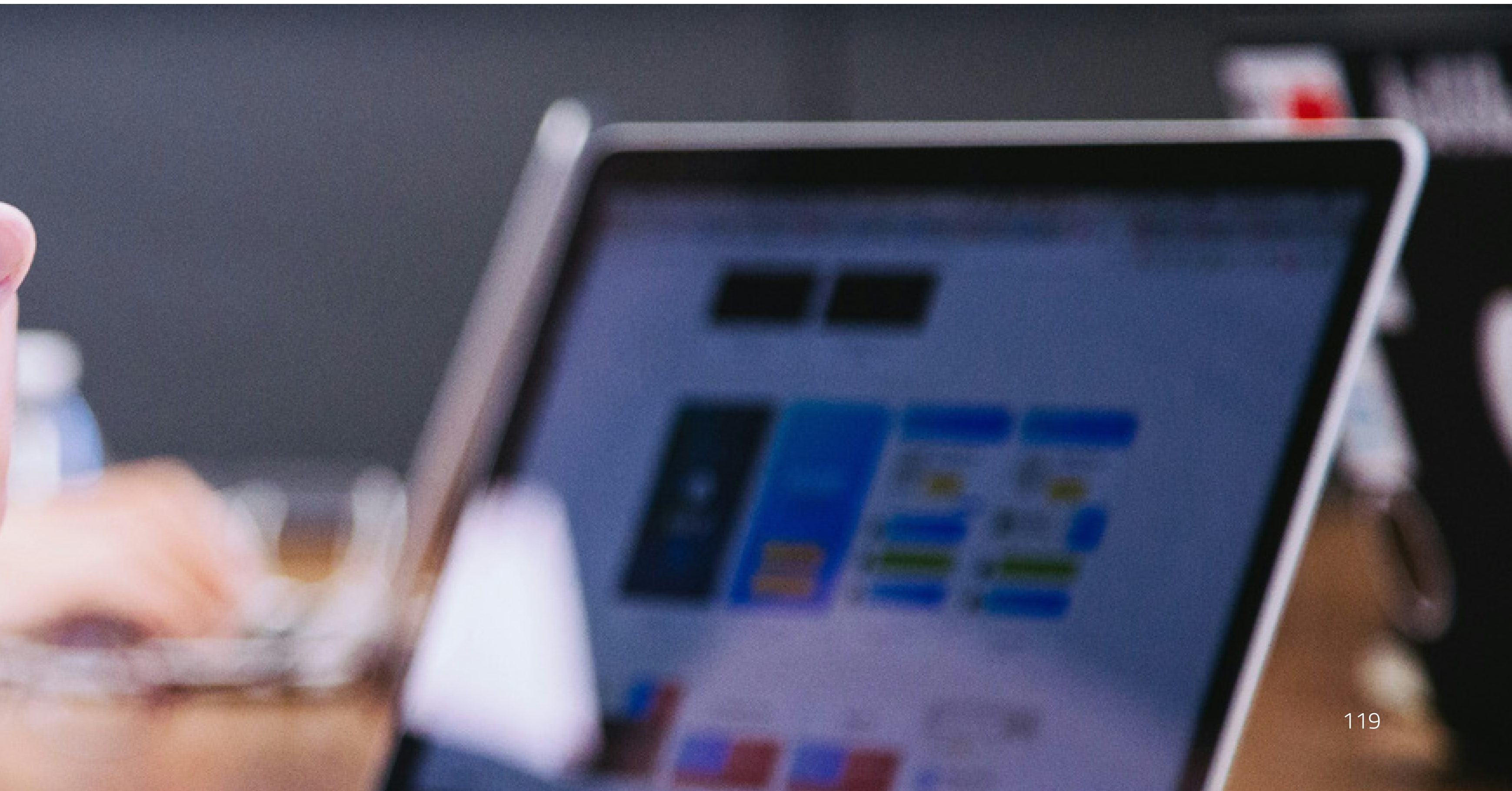
Continuous search
for improvements to ensure a safe and healthy work environment

OCCUPATIONAL SAFETY INDICATORS	VALUE	2023 TARGET
Accident rate [1]	0.07%	0.24%
Fatality rate [2]	0	
Occupational disease rate [3]	0	0.16%
Average days lost to work-related accidents	4	
Average total days lost	4	

[1] For every 100 workers.

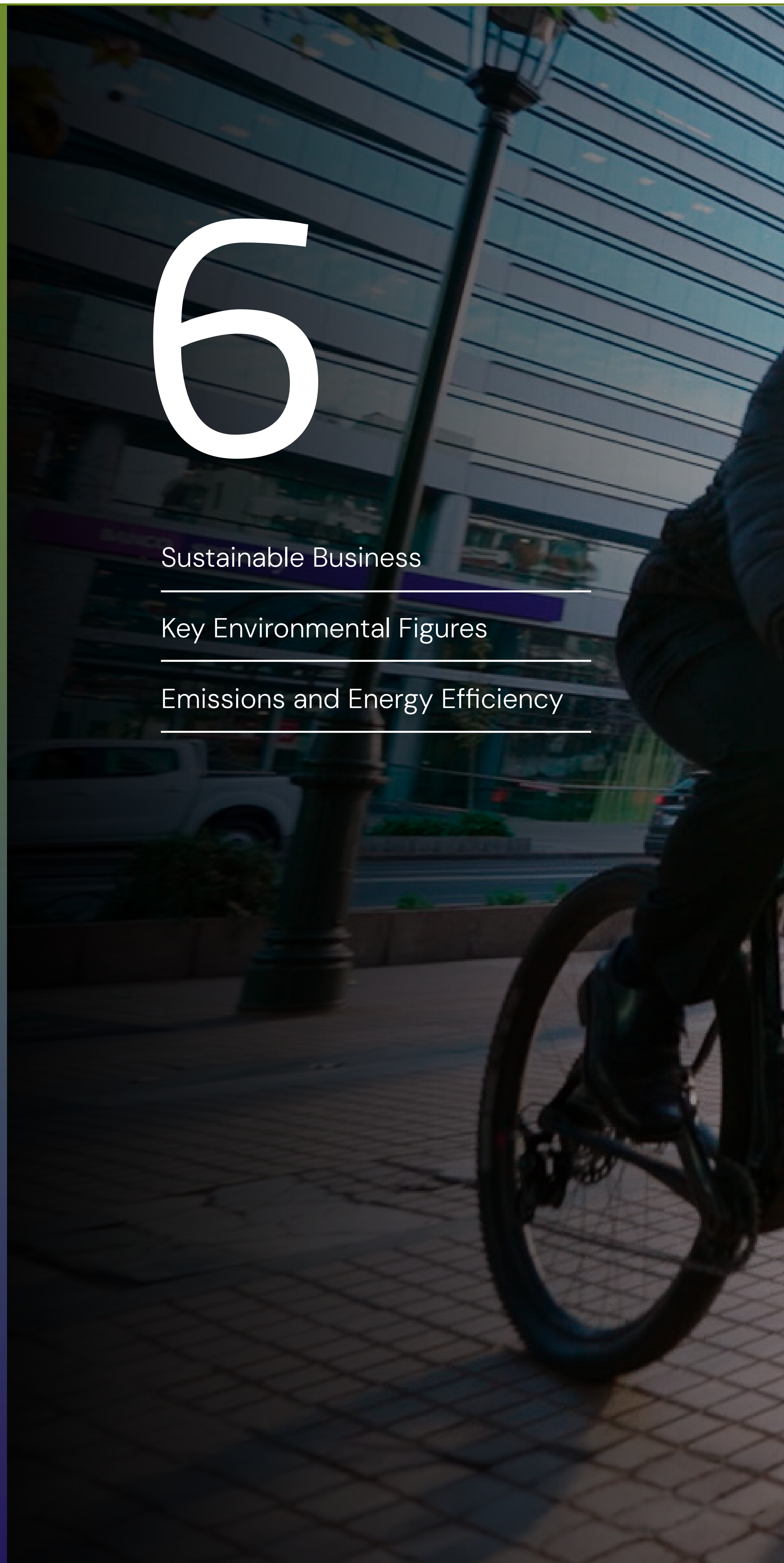
[2] For every 100,000 hours worked.

[3] For every 100,000 hours worked.



ENVIRONMENTAL STEWARDSHIP

6



SUSTAINABLE BUSINESS

[SASB FN-CB-410a.2]

Banco Security is aware of its role as a financial institution in the **transition to a low-carbon economy.**

Furthering its commitment to sustainable development, the Company has two main focuses to incorporate sustainability issues into the core of its business: responsible investment and mainstreaming ESG factors into its operations.

RESPONSIBLE INVESTMENT and Social and Environmental Risk Policy

One of the objectives of Banco Security's Sustainability Strategy is to facilitate financial resources to promote sustainable investments, encouraging its customers to act in accordance with today's social and environmental challenges.

The Company and its subsidiaries defined the Social and Environmental Risk Policy, which aims to help users operate in an economically viable and sustainable manner.

For investment projects, the borrower must guarantee that it has a system for identifying and managing social and environmental risks that complies with current regulations, which must be maintained throughout the life of the loan. It must also ensure that the community potentially affected by such risks is adequately informed.

The investment project assessment must consider mitigations of any adverse impact on the environment or people, conservation or rehabilitation of the potentially impacted environment and and valuation of the climate change impact of the location, design and implementation for each project.

The Bank also continued to further the integration of the Equator Principles and to increase the requirements for financing companies related to hydrocarbon production or emissions, set at 30% for new customers. Likewise, social variables were also incorporated in lending assessments for real estate projects.

INVERSIONES security

RESPONSIBLE INVESTMENT AT ADMINISTRADORA GENERAL DE FONDOS (AGF)

Administradora General de Fondos Security, a subsidiary of the Bank, became a signatory of the United Nations Principles for Responsible Investment (PRI) in 2022.

In line with this commitment, it approved its **Responsible Investment Policy,** which establishes governance, environmental and social variables to be considered when managing funds and investments.

OBJECTIVE AND PURPOSE

Consider the social and environmental impact in investment decisions, integrating the principles of sustainability and social responsibility into financial operations.

SCOPE

Applicable to all mutual and investment funds managed by AGF, covering both direct investments and those made through international funds.

ACCOUNTABILITY

The Financial Risk Committee, the Financial Risk Area, the Investment Committee and corporate leadership are responsible for supervising, implementing and enforcing this policy.

ESG INTEGRATION APPROACH

Includes a rigorous, effective internal due diligence process to ensure the investment is aligned with established ESG standards.

In line with the above, it uses detailed evaluation and analysis methods to ensure compliance with ESG criteria, such as Sustainalytics metrics, which consider the exposure and management of ESG risks. In addition, the carbon footprint is analyzed in relation to the investment fund's monetary units.

ESG ASSESSMENT CRITERIA

The assessment of environmental, social and governance matters considers a company's exposure to these issues, in addition to any management or mitigation measures they may have in place.

ENVIRONMENTAL

- Emissions, sources and waste
- Carbon: Own operations
- Carbon: Products and services
- Environmental and social impact of products and services
- Use of land and biodiversity
- Use of land and biodiversity in the supply chain
- Use of resources
- Use of resources in the supply chain

SOCIAL

- Access to basic services
- Community relations
- Data privacy and security
- Environmental and social impact of products and services
- Human rights
- Human rights in the supply chain
- Human capital
- Occupational health and safety
- Resilience

GOVERNANCE

- Leadership quality and integrity management
- Management structure
- Property and shareholder rights
- Compensation
- Auditing and financial reporting
- Stakeholder governance
- Bribery and corruption
- Business ethics
- ESG – finance integration
- Product governance

Click here to review the policy:
https://www.inversionessecurity.cl/sites/inversiones/files/politica_de_inversion_responsable.pdf

SUSTAINABLE FINANCE AND INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

The integration of environmental, social and governance factors into corporate governance, business strategy and risk management is one of the goals of the Bank's Sustainability Strategy.

In addition, during 2023 the Company worked on integrating these aspects into the credit score analysis. This is telling of the Company's interest in converging and aligning its business lines with sustainable development.

KEY ENVIRONMENTAL FIGURES

The main guidelines on environmental management are determined by Grupo Security, which coordinates and aligns the subsidiaries around the different initiatives, while also collecting the corresponding metrics.

In 2023, the Bank managed to reduce its footprint by 51.1%, thanks to the adoption of new, more efficient technologies and more sustainable operating practices, fostering environmental awareness among employees and investment in projects aimed at reducing direct emissions.

CARBON FOOTPRINT

Year	$mtCO_2e$
2021	7,007
2022	6,403
2023	4,620

mtCO2e: Metric tons of CO2 equivalent

ENERGY CONSUMPTION

Year	MWh
2021	6,885
2022	6,269
2023	3,485

MWh: Megawatt/hour

WATER CONSUMPTION

Year	m^3
2021	49,305
2022	43,700
2023	25,506

ENVIRONMENTAL COMPLIANCE

[NCG 461 8.1.3]

During the reporting period, the Company complied with all of its environmental obligations and received no related penalties.

Note: Banco Security does not have environmental compliance models, as they are not required for the banking industry.

EMISSIONS AND **ENERGY EFFICIENCY**

Banco Security, as part of Grupo Security's commitment to mitigate its impact on the environment, has been measuring its carbon footprint since 2021. With this data, the Company not only keeps a record of its annual emissions, but also has an essential input to manage its impacts effectively and accurately.

This effort was recognized and certified by the Chilean Ministry of the Environment's Huella Chile program in December 2023.

Ministerio del Medio Ambiente
Gobierno de Chile

HuellaChile
Programa de Gestión del Carbono

CARBON FOOTPRINT QUANTIFICATION

SCOPE 1

Mobile-source combustion

SCOPE 2

Electricity

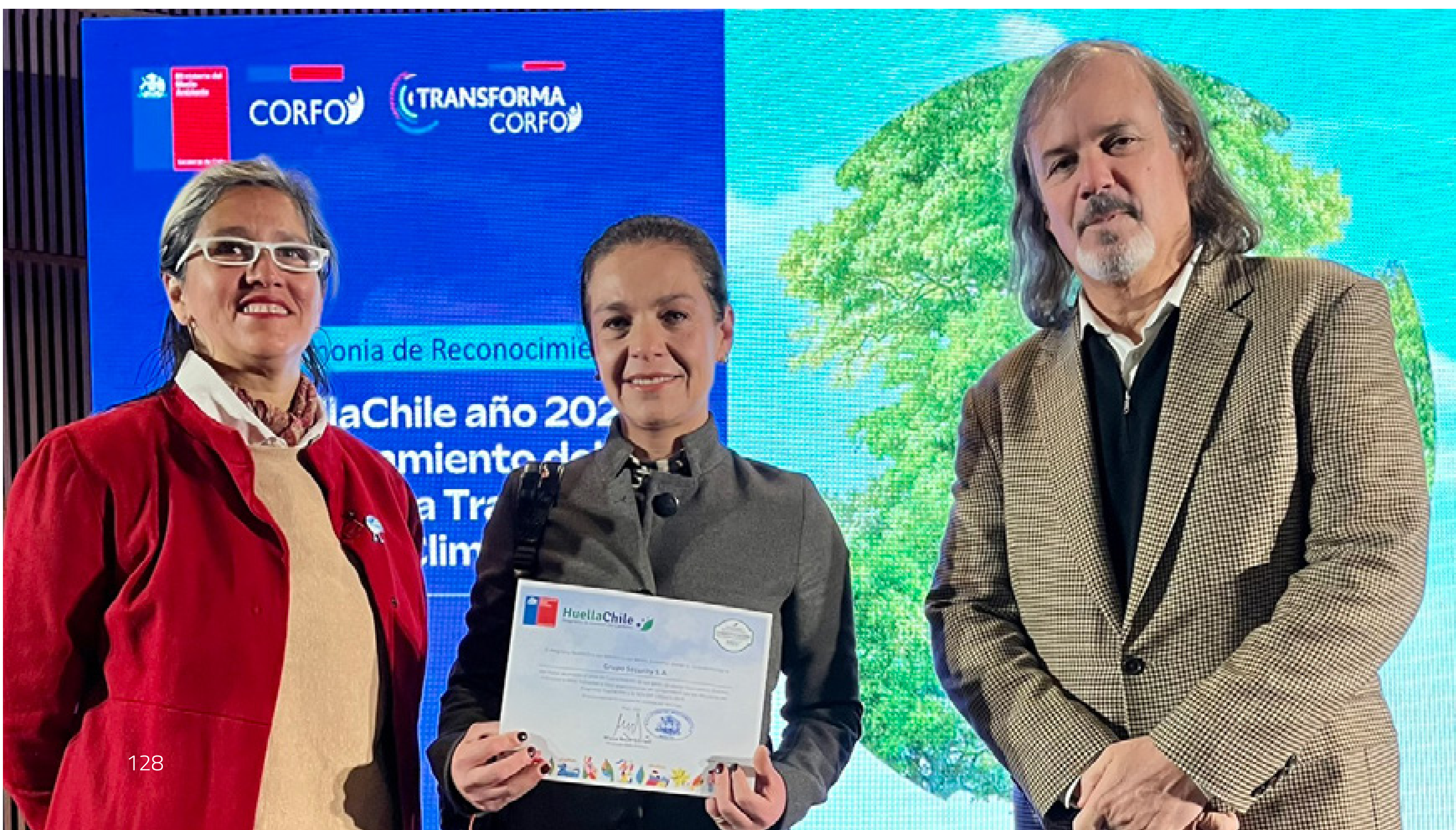
SCOPE 3

Supplies and services contracted

Customer trips to the Bank

Face-to-face and remote work by employees

Other



The Bank's main emissions come from employee commuting (51%) and electricity consumption in offices and branches (27%).

During 2023, the Company explored initiatives with suppliers focused on energy efficiency. We also considered the possibility of incorporating renewable energy sources and reducing employee commuting by implementing remote work in compatible areas and digitalizing processes.

BANCO SECURITY'S CARBON FOOTPRINT (mtCO_2e)

SCOPE	EMISSION SOURCE	2022	2023
SCOPE 1	Stationary sources	3	0.2
	Mobile sources	3	44.5
	Leakage emissions	79	51.8
	TOTAL	**85**	**96.6**
SCOPE 2	Electricity consumption	1,924	843.3
	TOTAL	**1,924**	**843.3**
SCOPE 3	Goods and services purchased	916	909.5
	Fuel and energy-related activities	1	10.5
	Upstream freight transportation	172	118.2
	Waste	113	75.4
	Business trips	853	715.6
	Staff transportation	1,475	529.8
	Staff transportation - Remote work	-	346.2
	Customer transportation	757	-
	Downstream freight transportation - Customers	-	685.4
	Island and third-party ATMs	1	-
	Website	106	289.6
	TOTAL	**4,394**	**3,680.2**
	TOTAL GHG EMISSIONS	**6,403**	**4,620**

MAIN ENVIRONMENTAL INITIATIVES

In 2023, Banco Security, in line with Grupo Security, relied on Kyklos consulting to develop various projects to **promote an adaptive, environmentally-aware culture, optimizing resources and minimizing waste,** and connecting with the community in line with the Company's social and environmental purpose.

INCLUSIVE OFFICE RECYCLING SYSTEM

A collection service was implemented, separating recyclable waste from the Group's and Bank's facilities, and environmental education and recycling tools were provided.

Specifically, this project was implemented in the Augusto Leguía and Apoquindo corporate buildings and include glass, cans, PET plastic, paper and cardboard recycling.

MATERIAL / KG	APOQUINDO 3150	AUGUSTO LEGUIA 70	TOTAL
PAPER	166	1,053	1,219
PLASTIC	95	181	276
GLASS	179	287	466
ALUMINUM	39	46	85
CARDBOARD	943	1,921	2,864
TETRAPAK	1	11	12
TOTAL	**1,422**	**3,498**	**4,920**

APOQUINDO TOWER

21 Comberplast kits installed

14 FLOORS **1** COLLECTION CENTER

AUGUSTO LEGUÍA TOWER

26 Comberplast kits installed

14 FLOORS **1** COLLECTION CENTER

COMPANY SAVINGS

-4,032,850 = 3,360
Liters of water saved — Hours of watering

-333,536 = 26,209
Fewer kg of CO_2 emitted — Days of car use

-2,578 = 42,976
Trees not cut down — Paper reams

-1,026,920 = 5,942
Fewer kWh of energy used — Months of household electricity consumption

REDUCTION IN THE NUMBER OF PRINTERS

In 2023, the number of printers within the facilities was reduced, resulting in a reduction of 19.4 million prints over the year.

INSTALLED PRINTERS

-64%

decreased from 758 to 275

ANNUAL PRINT VOLUME

-76%

decreased from 25.5 million to 6,1 million sheets

This initiative saved 71 metric tons of paper, preventing the felling of more than 1,200 trees and the capture of 5.8 tons of CO_2, as well as the reduction of 116 metric tons of CO_2 equivalent emissions.

RECOVER YOUR SPACE

Call for organizations, schools, municipalities and centers to apply for grants to refurbish spaces.

Applications were received from 53 organizations. The next stages of selection, communication and execution are still underway.

TOY RECYCLING CAMPAIGN

In partnership with the Inclusive Recycling Center, this campaign seeks to promote the reuse of toys among Grupo Security employees and their families. Collection points were set up at the three corporate offices.

The Debra Foundation—which treats people with epidermolysis bullosa—was the beneficiary of this initiative. The Company donated toys to 280 boys and girls.

SPONSORSHIP OF SAN LUIS BELTRÁN SCHOOL

Liaison with the educational community of San Luis Beltrán School to implement a recycling system and classroom-to-classroom sensitization at the school.

A multi-level environmental committee was also formed to identify areas for continuous improvement.

The activities involved 1,122 students, 48 teachers and 24 janitors, **who managed to recycle 389 kg of waste**

RECOVERED WASTE

MATERIAL	Kg
PAPER	14
PLASTIC	15
CARDBOARD	342
TETRAPAK	18
BOTTLE CAPS	1
TOTAL	**389**

SAVINGS ECO-EQUIVALENCES

9,420
Liters of water saved

1,544
kWh of energy

101
Paper reams

342
Kg of CO_2 equivalent

ENVIRONMENTAL CULTURE PROGRAM

We conducted a program to promote the environmental commitment of employees. This program aims to generate awareness and implementation of environmentally friendly actions in the workplace and at home.

Different activities were carried out as part of this program:

TALKS ON PROPER RECYCLING

Aimed at employees, cleaning personnel and leaders of each floor, with a total of 352 participants.

CHALLENGE: "IF MANY OF US RECYCLE, WE CAN ACHIEVE A GREAT IMPACT"

A total of 46 employees took part in the event.

INTERVENTION "THIS IS YOUR GARBAGE"

This consisted of a physical sample of garbage, in order to generate a visual impact with respect to waste generated.

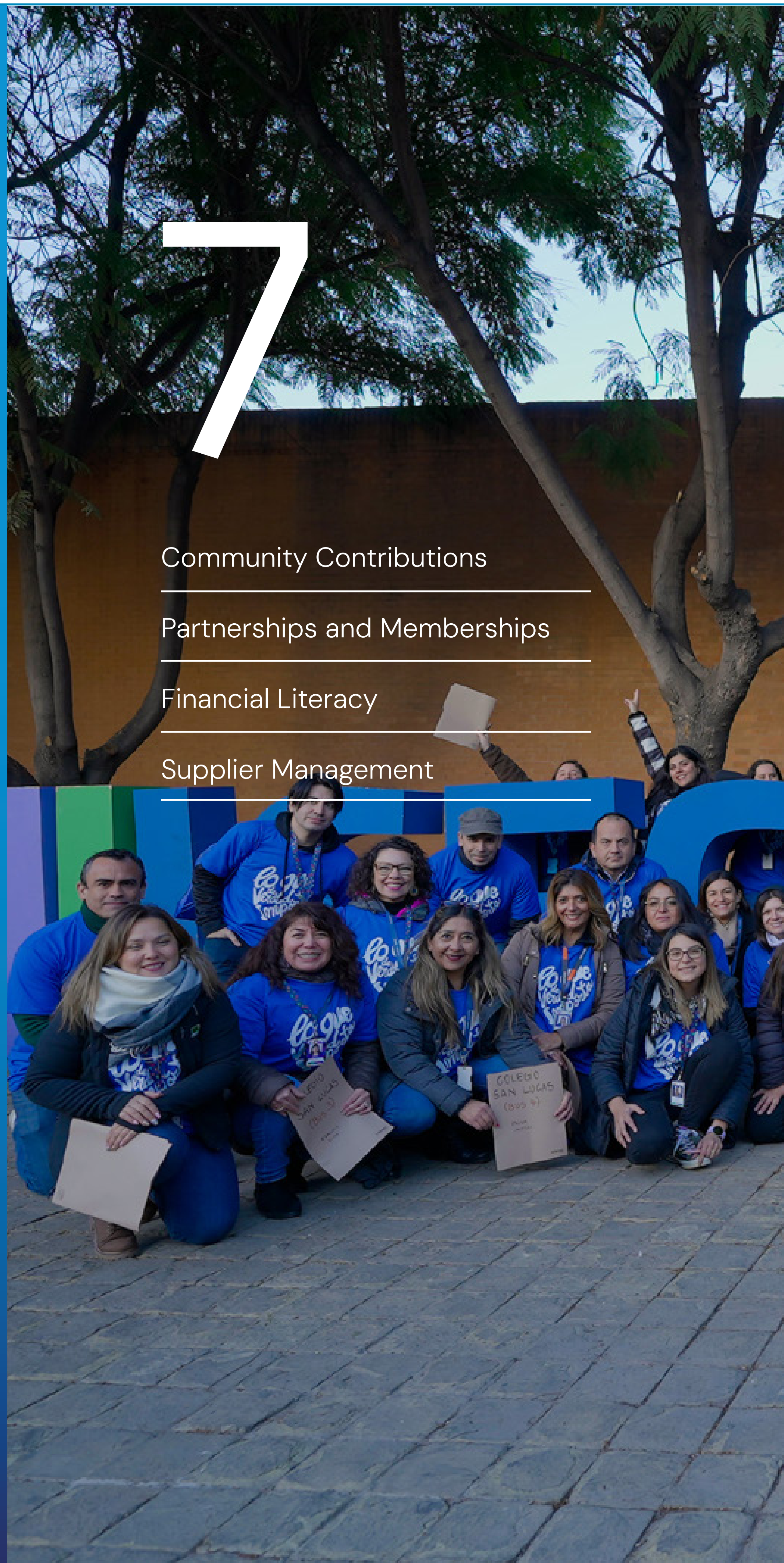
TALK: "INCLUSIVE RECYCLING AT GRUPO SECURITY"

280 attendees.

ENVIRONMENTAL CULTURE AND SUSTAINABLE CALENDAR NEWSLETTER

GIVING BACK TO **THE COMMUNITY**

7



COMMUNITY CONTRIBUTIONS

Banco Security is convinced that fostering close, trusting relationships with the community **not only helps to generate a positive impact on its surroundings, but is also key to the sustainable development of the Company and its business**.

Together with its subsidiaries and Grupo Security, over the years it has promoted numerous initiatives aimed at community development through strategic alliances.

In 2023, the Bank made donations and sponsored events to benefit the community, investing more than MCH$191. These actions underscore the Company's dedication to collective wellbeing.

COMMUNITY IMPACT

SUPPORT FOR PARALYMPIC SPORTS

This year, Banco Security sponsored Paralympic athlete Francisca Mardones, who was named ambassador of the Santiago 2023 Parapan American Games. She competed in the javelin and shot put. Supporting Francisca not only backs her career as an athlete, but also helps promote a more inclusive and accessible environment.

The Company provided her with comprehensive assistance, including a specialized wheelchair to participate in the 2023 Paralympic World Cup in Paris, where she won second place. The initiative aims to contribute to Francisca's wellbeing and improve her sporting performance, showing pride in being part of her team and in her achievements.

COMMITTED TO THE ELDERLY

For more than two decades, Banco Security, in coordination with Grupo Security, has supported the Las Rosas Foundation, an organization dedicated to improving the quality of life of the elderly in its 28 homes through solidarity campaigns and volunteer programs.

Two of the most noteworthy initiatives are the winter and Christmas campaigns, where the Company's employees participate in fundraising.

SUPPORT FOR CHILDREN WITH BUTTERFLY SKIN

Collaboration with the Debra Chile Foundation, an organization focused on supporting patients with epidermolysis bullosa (EB), an incurable genetic condition also known as "butterfly skin syndrome."

This collaboration included a toy collection campaign among employees of Banco and Grupo Security, which financed a total of 13 treatments for children, which each cost around CH$250,000 per patient. The foundation sustains its operations in part through the sale of products in its three charity stores.

Total contribution by Grupo Security

200 stuffed animals

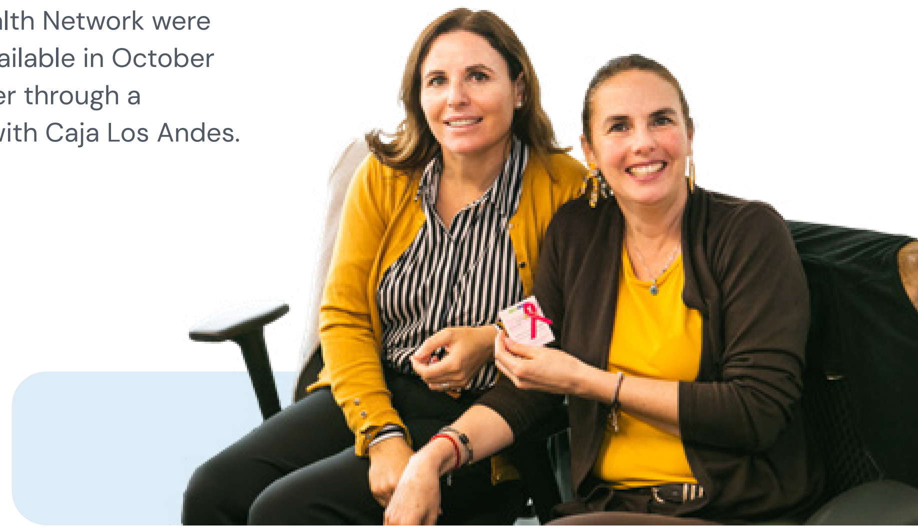
549 toys

BREAST CANCER PREVENTION

Banco Security and all the other Group companies participated in the National Breast Cancer Prevention Campaign held in October, promoting awareness of early detection of this disease.

Employees were encouraged to take a day off to undergo preventive screenings. In addition, informative material on the prevention of this condition was shared with them.

Discounts on Palpa products and access to free mammograms in the UC Health Network were also made available in October and November through a partnership with Caja Los Andes.



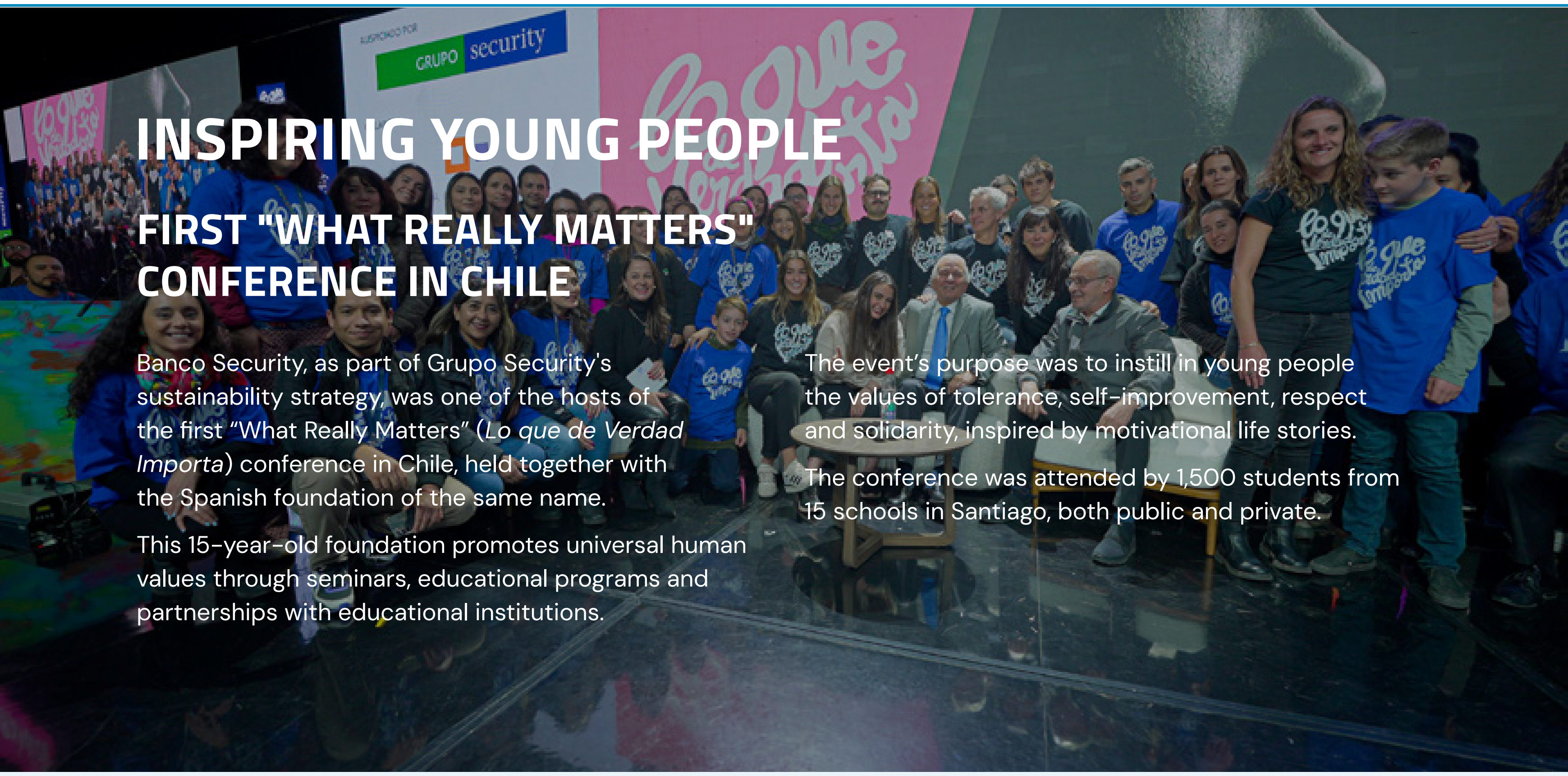
IN AID OF CENTRAL CHILE

Banco Security was part of a volunteer initiative implemented by the Group, together with students from Pontificia Universidad Católica de Chile to build 10 houses in Longaví, a town in central Chile that sustained severe damage due to wildfires in 2023.

RED BULL SHOWRUN IN CHILE

In an effort to connect with the community and offer services accessible to all, Banco Security and all Group subsidiaries sponsored the return of the Red Bull Showrun to Chile after an eleven-year hiatus, providing a unique opportunity to experience the thrill of Formula 1.

The event attracted more than 80 thousand attendees and featured top-quality motor sports demonstrations.



INSPIRING YOUNG PEOPLE

FIRST "WHAT REALLY MATTERS" CONFERENCE IN CHILE

Banco Security, as part of Grupo Security's sustainability strategy, was one of the hosts of the first "What Really Matters" (*Lo que de Verdad Importa*) conference in Chile, held together with the Spanish foundation of the same name.

This 15-year-old foundation promotes universal human values through seminars, educational programs and partnerships with educational institutions.

The event's purpose was to instill in young people the values of tolerance, self-improvement, respect and solidarity, inspired by motivational life stories.

The conference was attended by 1,500 students from 15 schools in Santiago, both public and private.

COMPANIES WITH POSITIVE IMPACT

The Bank participated in the program "Companies with Positive Impact" (*Empresas con Impacto Positivo*), offered by the School of Economics and Administration at Pontificia Universidad Católica de Chile. This course provided an opportunity for students and Bank mentors to reflect on how businesses contribute to society.

It was highly beneficial for both the participants and the Company's employees, providing an opportunity to analyze and delve deeper into the group's initiatives, which range from reducing the carbon footprint and promoting inclusion, to strengthening a culture of respect and care for people, developing teams and supporting projects with a major social impact.

100 YOUNG LEADERS

Partnering with El Mercurio and Universidad Adolfo Ibáñez, we organized a number of events for the 100 young leaders of 2023 named by El Sábado magazine.

These meetings were an opportunity to discover the inspiring stories behind each young leader, reaffirming Banco Security's emphasis on nurturing young talent and enriching the social environment.

SUPPORT FOR FOUNDATIONS

Using funds from the SENCE budget, the Company supports the education and labor reinsertion of **young women, single mothers, micro-entrepreneurs and vulnerable populations in Chile,** through various support initiatives.

JOB WELL DONE RECOGNITION PROGRAM

In 2023, a gift card recognition program was implemented, allowing outstanding employees to donate 3% of their value to pre-selected institutions through the Betterfly platform.

During the year, numerous awards were granted, promoting social responsibility and commitment to the community.

The beneficiary institutions were:

Idea País Think Tank

Through research on public affairs and training of young people, it seeks a more humane, fair and caring society.

Complementa Foundation

Educational project for people with Down Syndrome that provides support to their families.

ESPERANZA FOUNDATION

Non-profit organization that focuses on rehabilitating individuals with addictions, preventing addiction and promoting relevant public policies, based on the principle that every person is capable of changing and fully reintegrating into society.

In 2023, with the support of Banco and Grupo Security, employment scholarships were granted to provide essential training for reinsertion into the labor market, through workshops and other training methods, highlighting the Company's commitment to the social and labor reintegration of people affected by addiction.

SIMÓN DE CIRENE FOUNDATION

We supported this non-profit organization that provides tools to entrepreneurs, social organizations and communities all over Chile, helping them to manage their business through training and personalized and group support.

In 2023, we used the Group's and AGF Security's financing to provide management improvement courses for social organizations, educational establishments and long-stay homes, as well as to support people with entrepreneurial projects.

The course contents focused on administration, finance, legal issues, personal development, and personnel management, among others.

357 people

were trained in 2023, through Simón de Cirene.

PARTNERSHIP WITH BETTERFLY

Thanks to the implementation of the Betterfly platform, the healthy habits of Banco Security's employees can be directly transformed into donations to social causes.

Not only does this promote a healthier lifestyle among the Company's team, but it also has a positive impact on the community and the environment.

In 2023, employees of Banco and Grupo Security cooperated with the following foundations:

DONATIONS TO FOUNDATIONS MADE ON BETTERFLY

Total
22,774

Foundation	Cause	Number of donations in 2023
One tree planted	More trees for Latin America	3,965
Las Rosas Foundation	Help an elderly person	3,896
Red de Alimentos	Support those who need it most	4,680
Leche para Haití	Against child malnutrition	2,442
Water is Life	Fighting the global water crisis	3,451
Alimenta la solidaridad	Food for minors in Venezuela	3,124
Other		1,296

OTHER RELEVANT INITIATIVES

Banco Security also promotes spaces for public debate, reinforcing its commitment to social development and constructive dialogue.

The Company emphasizes work-life-family balance, collaborating with the Work and Family Center at the ESE Business School of Universidad de los Andes to foster a culture that seamlessly blends work and family.

It has also participated in important research such as the Barometer of Women's Leadership and the Index of Women's Career Paths and Inclusion in Chile, and supports the Center for Corporate Reputation, which promotes best practices in reputation management.

The Bank is also a sponsor of the latter center, highlighting best practices in corporate reputation and supporting key educational institutions such as Pontificia Universidad Católica de Chile and the Center for Public Research (*Centro de Estudios Públicos* or CEP), underscoring its support for educational advancement and research.

PARTNERSHIPS AND MEMBERSHIPS

[NCG 461 6.1.vi]

UN GLOBAL COMPACT

GLOBAL COMPACT

As a subsidiary of Grupo Security, Banco Security has been a member of the Global Compact Chile network of companies since 2022. It strives to align its strategies with the United Nations Guiding Principles and contribute to the Sustainable Development Goals for 2030.

This reflects its strong commitment to sustainability and corporate social responsibility, integrating these principles into the core of its operations and business strategies.

PARTNERSHIPS IN 2023

Banco Security makes contributions and adheres to various initiatives that promote the development of public policies, international relations and commitment to sports, among others.

Below is a breakdown of the organizations that the Company cooperates with directly, and through Grupo Security.

PARTNERSHIPS WITH FOUNDATIONS

- Casa Acogida La Esperanza
- Foundation for Entrepreneurship
- Multidep
- Soymás Foundation
- Simón de Cirene Foundation
- PAR Foundation
- Centro de Estudios Públicos
- Las Rosas Foundation
- Universidad de los Andes

BI-NATIONAL CHAMBERS OF COMMERCE

- Swiss-Chilean Chamber of Commerce
- German-Chilean Chamber of Commerce
- Canadian-Chilean Chamber of Commerce
- Chinese-Chilean Chamber of Commerce
- French-Chilean Chamber of Commerce
- AMCHAM - American Chamber of Commerce

REGIONAL ORGANIZATIONS

- Santiago Exchange
- Santiago Chamber of Commerce
- FOLATUR – Latin American Tourism Forum
- WWTA – Worldwide Tourism Association

TRADE, INSTITUTIONAL AND OTHER ORGANIZATIONS

- Chilean Factoring Association (ACHEF)
- Association of Banks and Financial Institutions
- Chilean Chamber of Construction
- Santiago Chamber of Commerce
- Confederation of Production and Commerce
- Circle of Banking Executives
- Club El Golf 50 Corporation
- Fedefruta
- Guillermo Subercaseaux Institute of Banking Studies
- ACHET. Chilean Association of Tourism Companies
- ACHILLA - Industry Suppliers Association
- AMEX GBT – (Franchise / Exclusive Representation in Chile)
- Chilean Insurers Association
- Real Estate Developers Association
- Chilean Insurance Self-Regulation Council
- Capital Goods Technology Development Corporation
- ESE Business School, Universidad de Los Andes
- Instituto Libertad y Desarrollo
- Pontificia Universidad Católica de Chile
- Universidad del Desarrollo
- ICARE
- Insurtech Chile Association
- LIMRA (Life Insurance Marketing and Research Association)
- Pinebridge Investment Ireland Limited
- MSCI Small Cap Chile Index
- Europe Assistance Chile

FINANCIAL LITERACY

[SASB FN-CB-240a.4]

Supplying tools and knowledge to customers and users is essential to Banco Security's purpose. **Offering the best financial solutions is only possible when people are able to understand, evaluate and choose the products and services that best fit their needs and aspirations.**

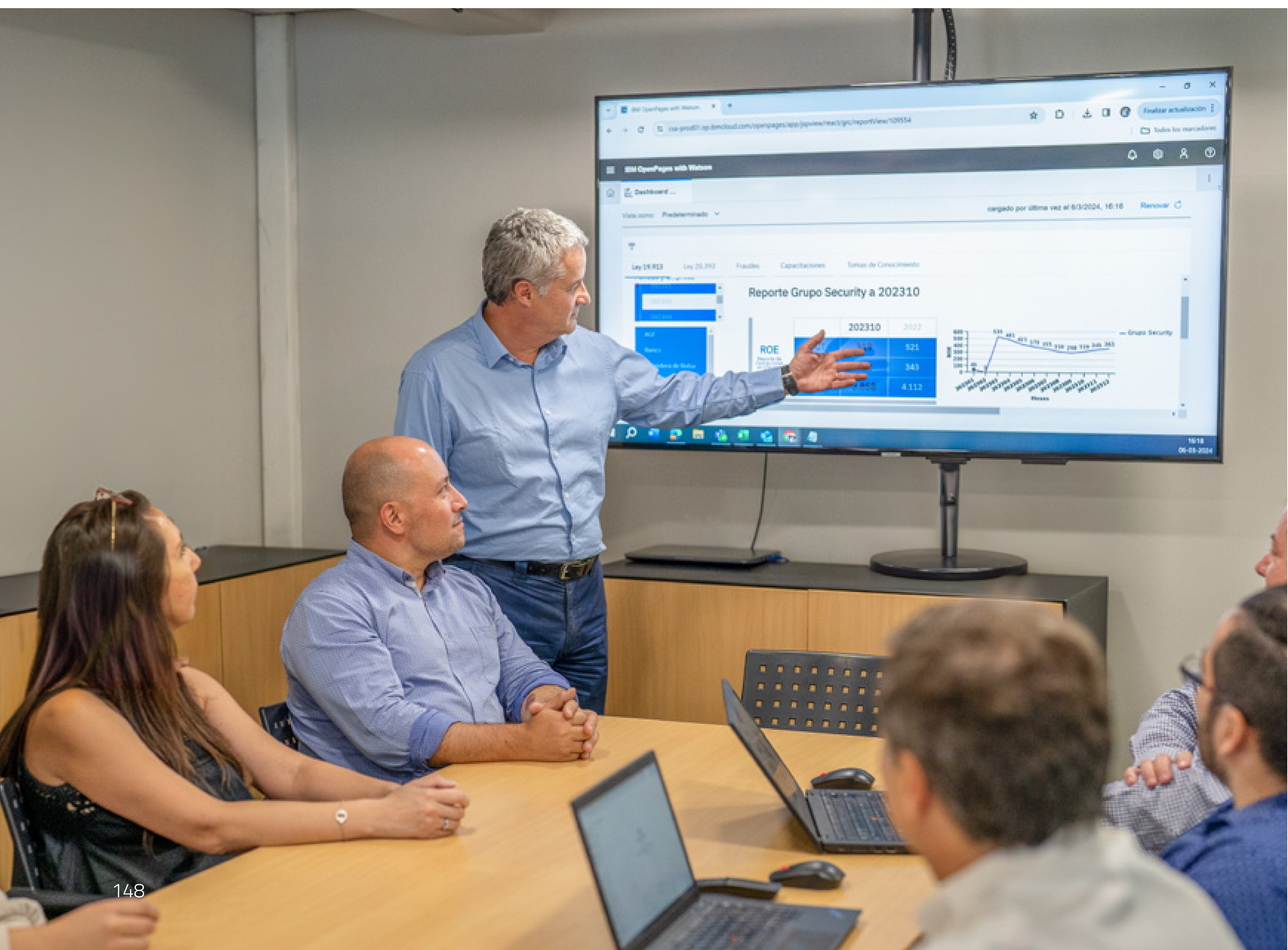
The Company has developed several initiatives aimed at presenting financial topics in a clear and simple manner.

INITIATIVE	DESCRIPTION	INDICATORS
Security Economic Seminar	This seminar has been held for more than 15 years. Its 2023 edition was entitled "How do we get out of this?" and featured the outstanding participation of economist Ricardo Caballero of MIT, Spanish politician Esperanza Aguirre, and José Antonio Kast, founder of Chile's Republican Party.	**650** face-to-face attendees **164,280** views on Youtube **203,073** views (EMOL)
Saber Suma Blog	Grupo and Banco Security provide financial education resources to their customers, to facilitate their literacy of relevant economic and financial topics in order to make informed decisions. The "Saber Suma" blog complements a weekly newsletter distributed to more than 4,000 subscribers.	**50,816** monthly website visits **4,893** blog newsletter subscribers
Webinar	During 2023, seven webinars were organized with the participation of leading experts, focusing on the current national and international situation and also addressing investment issues.	**7** webinars **4** on current events **3** on investments

SUPPLIER MANAGEMENT

[NCG 461 5.9]

Banco Security stresses the importance of its suppliers to the Bank's successful operations. It is committed to complying with current legislation and implementing policies and procedures consistent with the Company's and the Group's guidelines throughout the supply chain.



FUNDAMENTAL PRINCIPLES IN OUR RELATIONSHIPS WITH SUPPLIERS AND CONTRACTORS

01

Transparency and fairness

In all selection processes carried out at the Bank.

02

Business ethics and responsibility

Rejection of any form of corruption, extortion or bribery and compliance with Law 20,393.

03

Individual dignity

Banco Security condemns child labor in all its forms. It also demands respect for workers' rights, such as the payment of a living wage and labor obligations, as well as safe and healthy working conditions.

04

Environment

Banco Security especially values those suppliers that consider the prevention, mitigation and control of impacts to the environment.

05

Privacy and confidentiality of information

Suppliers must have the necessary safeguards to ensure the protection of data derived from the contractual relationship with the Bank. The latter may request additional measures, if it deems necessary.

06

Periodic monitoring

Suppliers will be monitored in all the different areas under consideration.

07

Contingency plan

This will be considered to guarantee the operational continuity of the business.

08

Access to complaint channel by the Company and its employees

The purpose of this is to be able to ask questions and/or make complaints related to compliance with the policy that governs their contractual relationship with the Company.

SUPPLIER MANAGEMENT PROCEDURES

Suppliers are essential to the achievement of the Company's strategic goals and the sustainability of its business.

Accordingly, Banco Security has a request-to-pay process made up of five stages and constant monitoring and control.

THE FIVE STAGES FOR SUPPLIERS

Definition of needs → **Assessment** and selection → **Signing** of contract → **Centralized** register → **Operation** and payments

Monitoring and control

SUPPLIER ASSESSMENT AND SELECTION

[NCG 461 7.2]

This is carried out through a bidding or quoting process, specifying the features and conditions of the requested service, together with the particular requirements that the supplier company must meet.

CREATION OF BID/QUOTE CONDITIONS

Knowledge and expertise

Price

Performance history of other services rendered

Review of legal status, review of compliance with social laws or labor lawsuits

Compliance, anti-money laundering review of both the company and its partners

DEFINITION OF THE APPROVAL METHOD AND PROPOSAL EVALUATION

Service properties

Risks of the service to be outsourced: critical, non-critical

AWARDEE RECOMMENDATION

Selection of the supplier in accordance with the aforementioned requirements, as applicable

COMPLIANCE MONITORING

In order to maintain a responsible supply chain aligned with Banco Security's principles, we monitor compliance with contractual commitments and conduct a multidimensional assessment of both the supplier and the service rendered.

The purpose of this procedure is to identify areas for improvement or correction, prevent or resolve incidents and manage potential risks.

SERVICE QUALITY CONTROL MONITORING

- Performance and service quality
- Relevant incidents and events
- Sufficiency and test results
- Business continuity plan
- Compliance with Information Security Protocols
- Implementation of agreed action plans for operational risk management/mitigation

SUPPLIER CONTROL MONITORING

- Financial position
- Proactive monitoring of supplier's public information
- Review of anti-money laundering and counter financing of terrorism practices
- Compliance with internal practices and outsourcing elements
- Approval of site visits
- Implementation of agreed action plans for operational risk management/mitigation

CONTRACT MONITORING

- Validity and terms for modification, renewal or termination
- Control of compliance with contractual clauses
- Control of performance bonds
- Budget control
- Fines and penalties

ADDITIONAL MONITORING OF CRITICAL (ANNUAL) **AND RELEVANT** (AS REQUIRED) **SERVICES**

- Risk assessment of the service to be outsourced

SUPPLIER PAYMENTS

[NCG 461 6.2.iii, 7.1]

Payment guidelines are found in the framework of Banco Security's Outsourcing Policy and Supplier Management Procedures Manual. They determine the legal compliance deadlines and contractual conditions that apply to the Company's suppliers.

The criticality of the service to be outsourced will be defined according to its impact on different variables, as determined by the service owner together with the Supplier Management area based on the corresponding Supplier Criticality Assessment Form, and ratified by the Supplier Committee.

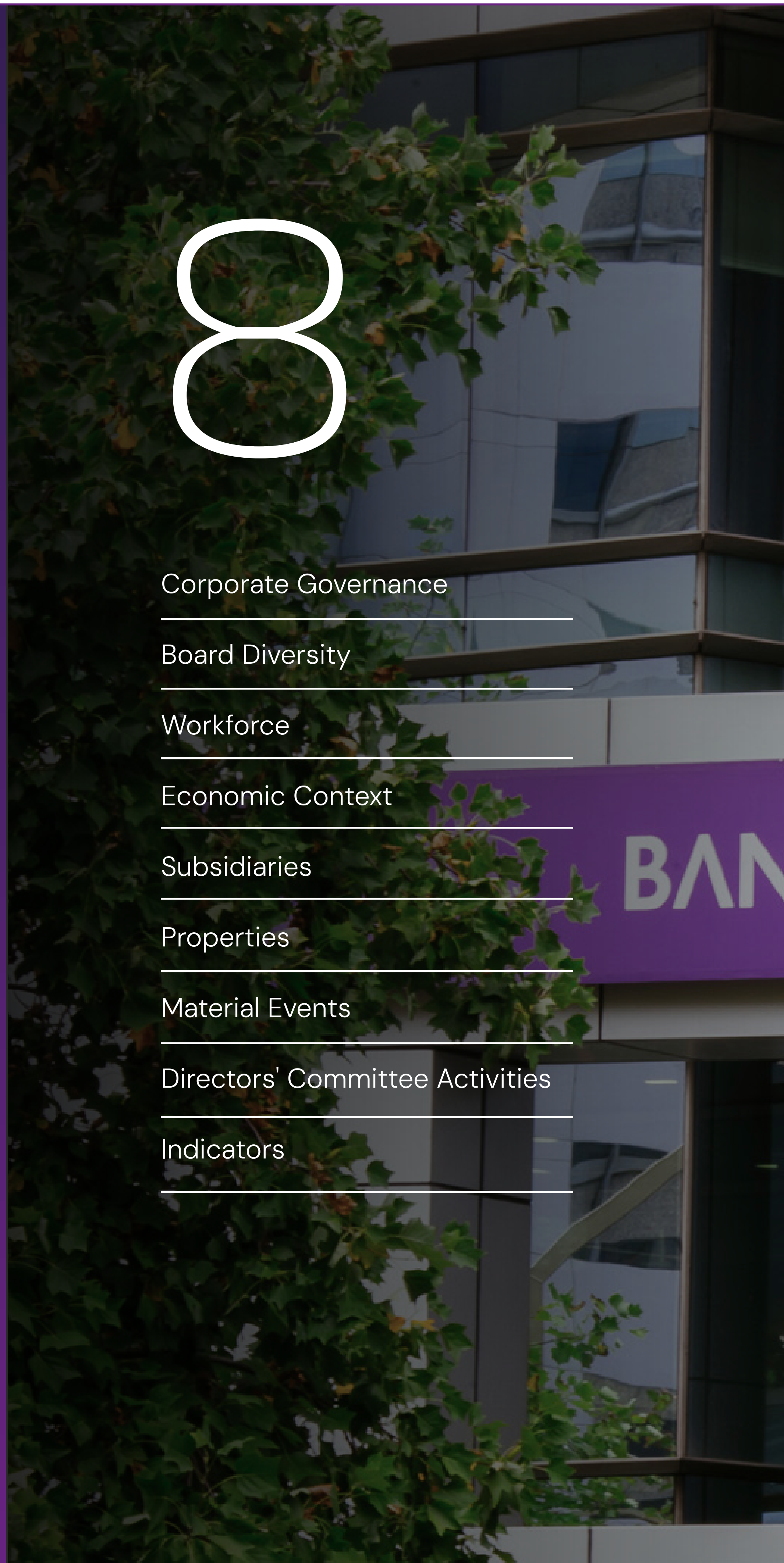
For payments, no distinction is made between critical and non-critical suppliers.

PAYMENT DAYS	NUMBER OF SUPPLIERS*			NUMBER OF INVOICES PAID			AMOUNT OF PAID INVOICES (MCH$)		
	Foreign	Domestic	Total	Foreign	Domestic	Total	Foreign	Domestic	Total
Up to 30 days	22	546	568	120	8,882	9,002	4,802	75,767	80,569
Between 31 and 60 days	9	90	99	46	211	257	1,583	1,191	2,774
More than 60 days	10	31	41	25	120	145	939	449	1,388

(1) No interest for late payment was recorded.
(2) There were no agreements with exceptional payment terms.
(3) Banco Security has one supplier that individually represents 10% of total purchases.
(4) The same supplier can be found in the three types of payday tranches.
(*) Corresponds to the suppliers who were paid an invoice within the established time frames. Therefore, suppliers can be found in more than one tranche.

APPENDICES

8




security

CORPORATE **GOVERNANCE**

DUTIES OF THE BOARD COMMITTEES

[NCG 461 3.3.iv]

AUDIT COMMITTEE

1. Propose to the Director's Committee, or in its absence to the Board, a short-list of external auditors and risk rating firms.
2. Be informed of the selected external audit firm, as well as the terms and scope of the audit, prior to its commencement. Any discrepancy or difference in interpretation with respect to the audit terms should be resolved as soon as possible.
3. Be aware of and analyze the results of internal audits and reviews.
4. Co-ordinate the work of the internal auditors with the external auditors' reviews.
5. Analyze the interim financial statements and the annual accounts and report to the Board.
6. Analyze the external auditors' reports, and the content, procedures and scope of their reviews. Furthermore, the auditors must be granted access to the minutes of the committee's meetings, so that can be aware of any relevant matters or situations for the purposes of the audit.
7. Analyze external risk assessor reports and the procedures they applied.
8. Be informed of the effectiveness and reliability of the company's internal control systems and procedures. Therefore, the committee should be familiar with the risk management methods and systems used by the Bank and its subsidiaries.
9. Analyze the operation of information systems, their adequacy, reliability and how they impact decision making.
10. Be informed about compliance with institutional policies related to the due observance of laws, regulations and internal rules.
11. Understand and resolve conflicts of interest and to investigate fraud and suspicious behavior.
12. Analyze instructions and presentations from CMF and analyze inspection visit reports.
13. Understand, analyze and verify compliance with the annual internal audit program.
14. Request a report every six months from the Chief Compliance Officer to understand the structure, planning, results and management of that area.
15. Inform the Board of any changes in accounting policy and their effects.
16. Annually evaluate the Controller of the Bank and subsidiaries (to b e conducted by at least two of its members), and deliver the result privately to the Chairman so that it may be taken into account in the evaluation of the Controller.
17. Submit to the Board of Directors those matters which, due to their importance or interest, they deem should be resolved by this body, and those referred to in article thirteen, in relation to the manner in which the body reaches an agreement.

STRATEGY AND EQUITY COMMITTEE

1. Governance and risk management: Review the internal governance and control structure; coordinate governance in the different capital processes; review compliance with the capital policy; incorporate risk governance in the capital governance structure; and involve the Controller and internal validation areas as a line of defense in the review of the different aspects of capital.

2. Risk measurement: Ensure comprehensive risk measurement; propose risk appetite metrics to the Comprehensive Risk Committee; and identify deficiencies in risk measurement.

3. Measurement and monitoring of capital ratios: Monitor the evolution of capital ratios according to current regulations and internal policy; review compliance with the capital budget; and delegate to the Asset-Liability Committee (ALCO) the review and approval of the methodology for internal capital calculation, actions or alerts necessary for compliance with pre-established limits, methodologies and capital allocation processes. Also ensure that processes are simple and there is no duplication, ensure that processes are properly documented and make sure that model calculation engines are adequate.

4. Capital planning and budgeting: Capital planning; define strategic focuses and objectives; review the incorporation of the strategic plan into budgeting and financial planning; define measurement metrics; ensure adequate change management and training; and ensure the reporting of strategic capital metrics to the commercial committees, among others.

5. Stress testing: Conduct these tests; periodically review capital stress testing and their impacts on projected, and ensure compliance with the integration of capital planning and stress testing.

6. Capital self-assessment: Prepare the Regulatory Capital Self-Assessment Report (IAPE); analysis of methodologies, compliance and results of the equity self-assessment exercises, ensure that the process of each of the exercises and the common aspects are clear

7. Market disclosure: Ensure transparency in disclosure to stakeholders, analyze how to optimize the composition of risks (or mitigators) involve subsidiaries in capital management and strategic exercises.

COMPREHENSIVE RISK COMMITTEE

1. Submit risk management reports: This considers a consolidated view of all the risks to which the entity is exposed, a summary of the associated committees and a benchmark of the relevant competition.

2. Validate and monitor actions to correct risk levels: Propose actions, assess adjustment needs, and monitor the execution and outcome of corrective actions.

3. Define and/or approve policies, guidelines and methodologies for efficient risk management in line with strategic guidelines: The presentation of new regulatory guidelines related to risk management; a review of the results of stress tests and sensitivity scenarios; presentation of results of retrospective tests, among others.

4. Risk appetite: Advise management on the definition and assessment of risk policies and risk assessment, propose essential metrics to the Board of Directors, as well as guidelines for dealing with excesses on the established limits for operations as well as corrective actions and an early warning system. Additionally, review the Appetite Framework and Statement at least once a year and advise the Board of Directors on transactions, events or activities that may affect the Bank's exposure and risk profile, among others.

5. Inherent risk profile: Identify, distinguish and list material and non-material risks; review the risk expense budget and assumptions on which it is based; analyze and assess the profile of each material risk; identify and maintain a documented list of risks; and review the results of the management self-assessment survey, its mitigating measures and its consistency with the RIA.

DIRECTORS AND SENIOR EXECUTIVES WITH OWNERSHIP INTERESTS

[NCG 461 3.4.iv]

Director/Senior Executive	% Direct or Indirect Interest	
	2022	2023
Bonifacio Bilbao Hormaeche	0.0776%	0.0284%
Fernando Salinas Pinto	0.0000%	0.0000%
Hernán Errázuriz Correa	0.0000%	0.0000%
Ignacio Ruiz-Tagle Vergara	0.0000%	0.0000%
Jorge Marín Correa	0.1532%	0.1500%
Juan Cristóbal Pavez	2.6839%	2.9400%
Mario Weiffenbach	0.5858%	0.0389%
Ramón Eluchans	0.0508%	0.0500%
Renato Peñafiel	0.4867%	0.4900%
Enrique Menchaca	0.1899%	0.1899%
Christian Sinclair	0.0004%	0.0004%

Note
Percent interest considering their direct and indirect individual interests. Participation through related parties is not considered.

BOARD DIVERSITY

STANDING DIRECTORS AND ALTERNATES, BY GENDER

[NCG 461 3.2.xii.a]

CATEGORY	STANDING DIRECTORS	ALTERNATES	TOTAL
MEN	7	2	9
WOMEN	0	0	0
TOTAL	7	2	9

STANDING DIRECTORS AND ALTERNATES, BY GENDER AND AGE GROUP

[NCG 461 3.2.xii.c]

CATEGORY	STANDING DIRECTORS	ALTERNATES	TOTAL
51 - 60 years	2		2
61 - 70 years	4	1	5
Over 70 years	1	1	2
TOTAL	7	2	9

STANDING DIRECTORS AND ALTERNATES, BY GENDER AND YEARS OF SERVICE

[NCG 461 3.2.xii.d]

CATEGORY	STANDING DIRECTORS	ALTERNATES	TOTAL
Less than 3 years	3		3
3 - 6 years	1	2	3
6 - 9 years			0
9 - 12 years			0
More than 12 years	3		3
TOTAL	7	2	9

Note

1. The entire Board of Directors is of Chilean nationality.
2. The Board of Directors does not have any directors with disabilities.

WORKFORCE

EMPLOYEES BY GENDER

[NCG 461 5.1.1]

EMPLOYEE CATEGORY	♀	♂	TOTAL
Senior management	1	12	13
Management	7	47	54
Supervisors	88	137	225
Sales force	373	158	531
Administrative staff	95	90	185
Other professionals	145	208	353
TOTAL	709	652	1,361

EMPLOYEES BY NATIONALITY ♀ ♂

[NCG 461 5.1.2]

EMPLOYEE CATEGORY	ARGENTINA		BOLIVIA	BRAZIL	CHILE		CHINA	COLOMBIA		CUBA	ECUADOR		MEXICO	SPAIN		VENEZUELA		PERU		TOTAL
Senior management	0	1	0	0	1	10	0	0	0	0	0	0	1	0	0	0	0	0	0	13
Management	0	0	0	0	6	46	0	0	0	0	0	0	0	1	1	0	0	0	0	54
Supervisors	0	0	1	0	86	134	0	0	0	0	0	1	0	0	0	1	1	0	1	225
Sales force	0	0	0	0	366	157	0	1	0	1	1	0	0	1	0	3	1	0	0	531
Administrative staff	1	0	0	0	90	87	0	1	1	0	0	0	0	0	0	1	2	2	0	185
Other professionals	0	0	0	1	137	203	1	1	2	0	0	0	0	0	0	4	2	1	1	353
TOTAL	1	1	1	1	686	637	1	3	3	1	1	1	1	2	1	9	6	3	2	1,361

EMPLOYEES BY AGE GROUP ♀ ♂

[NCG 461 5.1.3]

EMPLOYEE CATEGORY	Under 30		30 - 40		41 - 50		51 - 60		61 - 70		Over 70	TOTAL
Senior management	0	0	0	0	0	5	1	5	0	2	0	13
Management	0	0	1	7	2	15	4	21	0	4	0	54
Supervisors	2	1	23	43	41	55	19	33	3	5	0	225
Sales force	15	11	103	50	142	65	94	31	19	1	0	531
Administrative staff	12	9	41	37	26	20	12	20	4	4	0	185
Other professionals	19	43	76	86	30	43	13	32	7	3	1	353
TOTAL	48	64	244	223	241	203	143	142	33	19	1	1,361

EMPLOYEES BY YEARS OF SERVICE ♀ ♂

[NCG 461 5.1.4]

EMPLOYEE CATEGORY	LESS THAN 3 YEARS		3 - 6 YEARS		6 - 9 YEARS		9 - 12 YEARS		MORE THAN 12 YEARS		TOTAL
Senior management	0	0	0	0	0	5	1	5	0	2	13
Management	0	0	1	7	2	15	4	21	0	4	54
Supervisors	2	1	23	43	41	55	19	33	3	5	225
Sales force	15	11	103	50	142	65	94	31	19	1	531
Administrative staff	12	9	41	37	26	20	12	20	4	4	185
Other professionals	19	43	76	86	30	43	13	32	7	3	353
TOTAL	239	64	244	223	241	203	143	142	33	19	1,361

EMPLOYEES WITH DISABILITIES ♀ ♂

[NCG 461 5.1.5]

EMPLOYEE CATEGORY		
Senior management	0	0
Management	0	0
Supervisors	2	0
Sales force	1	2
Administrative staff	1	2
Other professionals	0	0
TOTAL	4	4

EMPLOYMENT CONTRACTS ♀ ♂

[NCG 461 5.2]

EMPLOYEE CATEGORY	OPEN-TERM		FIXED-TERM		TOTAL
Senior management	1	12	0	0	13
Management	7	47	0	0	54
Supervisors	88	137	0	0	225
Sales force	366	158	7	0	531
Administrative staff	93	90	2	0	185
Other professionals	143	202	2	6	353
TOTAL	698	646	11	6	1,361

WORKPLACE ADAPTABILITY

[NCG 461 5.3]

EMPLOYEE CATEGORY	UNREGULATED HOURS (ART. 22)	REGULATED HOURS	TOTAL
♂	533	119	652
♀	471	238	709
TOTAL	1,004	357	1,361

Note: One person signed a labor flexibility agreement.

WORK MODE

[NCG 461 5.3]

EMPLOYEE CATEGORY	FULLY IN-PERSON	HYBRID	TOTAL
♂	227	425	652
♀	407	302	709
TOTAL	634	727	1,361

ECONOMIC CONTEXT [NCG 461 6.2.viii]

OVERVIEW

Globally, 2023 was a year of continued normalization of global imbalances. Inflation continued to moderate, from a peak of 7.6% in mid-2022 to 3.3% at year-end, which is considered the equilibrium level.

As for economic activity, the year was characterized by a divergence in the world's major economies, with the United States surprising on the upside and the rest stable or declining. This was coupled with a strengthening of the U.S. dollar globally.

As the market internalized a tighter monetary policy in the U.S., the dollar began to appreciate significantly. This strengthening of the dollar began in late 2021 and gained momentum in 2022. In fact, some emerging economies—including Chile's—that saw the rise in inflation exacerbated by the depreciation of their currencies began to withdraw stimulus before developed countries.

If inflation did not moderate and instead continued to accelerate, the response of the monetary authorities would have to be ever greater, increasing fears of a significant slowdown in economic activity. This was quickly reflected in financial indicators.

Stock exchanges—measured through the MSCI Global index—fell by close to 20% during the year, with similar magnitudes between countries and/or regions. Raw material prices fell by 4% on average, with copper plummeting -15%, from around US$4.5 per pound at the start of the year to US$3.8 by year end. Oil, on the other hand, rose from around US$70 to US$80 per barrel.

GLOBAL GDP

During the year, a significant moderation in economic activity was expected in the face of greater monetary tightening due to the increase in interest rates in the world's main economies. As the months went by, there was greater resilience in private consumption, which led to an improvement in growth prospects. Thus, global GDP expanded by 3.2% overall in 2023, in line with historical averages. In disaggregated figures, developed economies grew 1.6% while emerging economies grew 4.1%.

If inflation did not moderate and instead continued to accelerate, the response of the monetary authorities would have to be ever greater, increasing fears of a significant slowdown in economic activity.

DEVELOPED ECONOMIES

In the United States, activity was surprisingly positive. As the quarters went by, GDP growth accelerated, although expectations at the beginning of the year pointed to moderation. In fact, at the beginning of 2023, a slight increase of 0.5% was forecast, a figure that increased with the positive economic performance and ended up growing 2.5%, even above the 1.9% of 2022. This result was driven by a 2.2% increase in private consumption, in both services (2.3%) and goods (2%). Meanwhile, investment fell 1.2% because the 10.6% drop in residential investment offset the 4.4% growth in industrial investment. As a result of this strong performance, job creation remained dynamic, with an increase of three million new jobs. Stock markets also reflected this growth with a 20% increase in 2023.

Meanwhile, in Europe, the outlook for the first months of 2023 pointed to an increase of 0.5%, which finally materialized. Germany, the group's leading economy, saw a -0.3% contraction in GDP, which was more than offset by increased activity in France (0.8%), Italy (0.7%) and Spain (2.45%). Nevertheless, the region's stock market accompanied the good global performance with a 20% rise as measured by the MSCI Europe index.

EMERGING ECONOMIES

Emerging economies performed well, maintaining the pace of expansion of economic activity close to 4% in 2023. The result was mixed across regions, with emerging Asia and emerging Europe accelerating growth over 2022, while Latin America, the Caribbean and the Middle East moderated it. In China, the elimination of sanitary restrictions at the end of 2022—as one of the last countries to return to total openness after the pandemic—generated high expectations regarding strong consumption, similar to the rest of the world. This ultimately did not occur, leading to GDP growth of 5.2% for the year.

The stock market reflected this good economic performance, with an increase of 7% in aggregate (MSCI Emerging Markets Index). When broken down by region, emerging Asia rose 5.6%, although there were large divergences, with China showing a 13% drop and India and Korea rising 20%. Meanwhile, Latin America ended the year with an increase of 25%, with the main economies rising 23% in Brazil and 36% in Mexico.

In the fixed-income market, U.S. high-yield bonds rose 14% during 2023, while safer (high-grade) bonds rose 8.5%. Meanwhile, sovereign bonds from emerging countries (EMBI) showed a positive yield of 11%, while corporate bonds (CEMBI) grew by 7.2%.

CHILE

As in most countries, the Chilean economy was resolving macroeconomic imbalances during the year, such as the excessive increase in private consumption and the consequent rise in inflation in 2021 and 2022.

This was achieved by raising the Chilean Central Bank's reference interest rate (MPR), generating very restrictive conditions to moderate the increase in private spending.

This happened in a context of dwindling financial conditions as months went by, due to the higher interest rates and the strengthening of the dollar, which offset the gradual increase in the terms of trade. In short, all of the above helped temper economic activity. Thus, after expanding 2.1% in 2022, GDP grew only 0.2% in 2023.

SPENDING

The breakdown of GDP showed that the major adjustment was in domestic demand with a 4.2% drop in the year, driven by the -5.2% figure in private consumption followed by a 1.1% drop in investment, contained by local uncertainty.

GROWTH BY INDUSTRY

When broken down by economic sector, the industries with the largest contributions to GDP growth were electricity, gas and water, followed by personal services and transportation. On the other hand, trade, agriculture and forestry, mining and construction showed a drop in annual production.

Despite the moderation of economic activity, job creation increased by 2.4% on average, equivalent to nearly 210,000 new jobs. The health sector accounted for the largest number of job openings, followed by commerce and public administration. The breakdown of employment by category showed that the greatest contribution occurred in salaried workers (2.7% increase), while on average, self-employment grew 2.9% for the year. However, the 3.3% growth in the labor force was higher than that of employment, leading the unemployment rate to rise 7.9% on average in 2022 to 8.7% in 2023.

Despite the moderation of economic activity, job creation increased by 2.4% on average, equivalent to nearly 210,000 new jobs.

FOREIGN TRADE

In terms of foreign trade, exports totaled BUS$94.6, down from BUS$98.6 in 2022. Forty-six percent of this figure corresponded to copper shipments (BUS$ 43.3). By quantity, exports remained at the same level as in 2022, because the 0.4% increase in the rest of the products offset the drop in copper shipments (-1.3%). Imports amounted to BUS$79.2, well below the previous year's figure, with declines in all categories, including a 23% drop in consumer goods, -21% in fuels and -13% in imports of capital goods. In terms of volume, total imports fell by 12%. Accordingly, the year-end balance of trade was a positive BUS$15.3.

In fiscal matters, last year closed with a figure of -2.4% for GDP, reversing the surplus of 2022. Government revenue fell by 12.5% in real terms, while government expenditures increased by 1% in real terms.

PRICE INDEXES

The significant adjustment in private consumption—together with the moderation of external prices—had the desired decrease in year-on-year inflation, which peaked at 14.1% in mid-2022 and reached 3.9% at the end of 2023. Core inflation (which excludes volatile prices) showed a similar trend, although smaller in magnitude, peaking at 10.6% in September 2022 and then falling to 4.7% as of December 2023. The CPI for tradables increased by 2.3% in the year, while the CPI for non-tradables reached 6.1%.

BENCHMARK INTEREST RATES

Although year-on-year inflation began to moderate in mid-2022, it was still very high in the first half of 2023, so the Chilean Central Bank postponed the start of the monetary normalization process until the second half of the year. Indeed, the first cut in the benchmark interest rate (MPR) was made in July, with a magnitude of 100 base points (bp), followed by 75bp in September, 50bp in October and 75bp in December, placing the MPR at 8.25% and signaling that the process would continue in 2023 to bring it closer to neutral levels.

EXCHANGE RATES

In the foreign exchange market, the global dollar showed a tendency to appreciate during most of the year, anticipating restrictive monetary policy for a longer period of time, although it weakened in the last quarter and closed the year at practically the same level as year-end 2022. In this context, the Chilean peso—highly volatile—showed a tendency to depreciate. In fact, it began the year close to CH$860, fluctuating around CH$800 in the first half of the year. However, as the dollar strengthened in the second half of the year, the Chilean peso was one of the currencies that depreciated the most, reaching as high as CH$950 in October. However, the fourth-quarter reversal of the dollar's strength brought the exchange rate down to CH$885 at the end of the year.

SUBSIDIARIES [NCG 461 6.5]

ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

TYPE OF COMPANY
Corporation, subsidiary of Banco Security.

TAXPAYER ID NUMBER
96.639.280-0

LEGAL ADDRESS
Apoquindo 3150, floor 7, Las Condes

SECURITIES REGISTRY
Administradora General de Fondos Security S.A. is registered in the Securities Registry under number 0112.

PROFIT
MCH$8,300

CORPORATE PURPOSE
General fund administrator (asset management).

The purpose of Sociedad Administradora de Fondos is to manage all types of funds regulated by Law No. 20,712 of 2014 and its regulations. Pursuant to the provisions of Section II of the aforementioned Law, it may also manage individual portfolios. In accordance with Ruling No. 2,171 of 2015 of the Financial Market Commission ("CMF") or whichever modifies or replaces it, it is also authorized to offer APV and APVC Voluntary Pension Savings Plans, and may also engage in activities complementary to its line of business, as defined in NCG No. 383 of 2015 or whichever modifies or replaces it.

GENERAL INFORMATION
The Company was incorporated by public instrument on May 26, 1992, and licensed to operate on June 2, 1992, by the Superintendency of Securities and Insurance in Exempt Ruling No. 0112. The Company is regulated by the Superintendency of Securities and Insurance and the provisions of DL 1,328 and its regulations. In ruling No. 288 dated September 17, 2003, the Superintendency of Securities and Insurance approved amendments to the bylaws of Sociedad Administradora de Fondos Mutuos Security S.A., agreed upon in an extraordinary shareholders' meeting held on July 4, 2003. These amendments to the bylaws included changing the type of company to a general fund administrator in accordance with Section XX VII of Law No. 18,045. The funds managed by the company are subject to the special legal regulations contained in Decree Law No. 1,328 and its corresponding regulations, which are monitored by the Superintendency of Securities and Insurance.

SUBSCRIBED AND PAID-IN CAPITAL
As of December 31, 2023, subscribed and paid-in capital totaled MCH$3,354.

PERCENTAGE OF TOTAL GRUPO SECURITY ASSETS
The total assets of Administradora General de Fondos Security S.A. represent 4.00% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY
Transactions between the Company and its related parties consist of customary transactions in terms of their objective and conditions. Transactions between the Company and its related parties have been carried out under normal market conditions. Administradora General de Fondos Security S.A. belongs to Banco Security, whose controller is Grupo Security S.A.

Chairman of the Board	Renato Peñafiel M.	Tax ID Number: 6.350.390-8
	Fernando Salinas P.	Tax ID Number: 8.864.773-4
	Eduardo Olivares V.	Tax ID Number: 9.017.530-0
	Jose Miguel Bulnes Z.	Tax ID Number: 10.202.654-3
Directors	Alberto Oviedo O.	Tax ID Number: 10.382.134-7
Chief Executive Officer	Juan Pablo Lira T.	Tax ID Number: 7.367.430-1

VALORES SECURITY S.A. CORREDORES DE BOLSA

TYPE OF COMPANY
Corporation, subsidiary of Banco Security.

TAXPAYER ID NUMBER
96.515.580-5

LEGAL ADDRESS
Apoquindo 3150, Las Condes.

SECURITIES REGISTRY
Values Security is registered in the Securities Registry under number 0111.

PROFIT
MCH$2,088

CORPORATE PURPOSE

Securities brokerage.

The purpose of the company is to carry out securities brokerage operations, in the terms contemplated in Article No. 24 of Law No. 18,045, Securities Market Law, and it may also carry out such complementary activities as Financial Market Commission may authorize. Valores Security S.A., Corredores de Bolsa has a team of specialists in the stock, currency, derivatives and fixed income markets. This team, together with our investment executives, aims to advise on decision making and support in portfolio management, providing quick and efficient responses to our customers' requests and the most complete information about their transactions and the different markets. The brokerage firm also provides a custody service to its clients, allowing them to store their financial instruments in a safe and reliable place, making their transactions faster and more convenient. This service includes the payment and notification of dividends, stock options, balance confirmations and periodic statements of investments. In addition, it provides other information of interest related to the shares held by the client, as well as sending market information.

GENERAL INFORMATION

This subsidiary was incorporated by public instrument on April 10, 1987. In accordance with current laws and regulations on the securities market and corporations, the company is registered in the Santiago Commerce Registry under number 3,630 for the year 1987.

IMPORTANT INFORMATION

The subsidiary was registered in the Registry of Securities Brokers and Agents under No. 0111 on June 2, 1987. On October 16, 1997, at an extraordinary shareholders' meeting, the shareholders agreed to change the company's name to “Valores Security S.A. Corredores de Bolsa.” On August 27, 2004, at an extraordinary shareholders’ meeting, the shareholders approved the merger between the Company and Dresdner Lateinamerika S.A. Corredores de Bolsa. Then, in Ordinary Ruling No. 10098 dated October 27, 2004, the Chilean Superintendency of Securities and Insurance approved the merger by absorption of Dresdner Lateinamerika S.A. Corredores de Bolsa and Valores Security S.A. Corredores de Bolsa, whereby the latter would absorb all assets and liabilities of Dresdner Lateinamerika S.A. Corredores de Bolsa, and be the legal successor of its rights and obligations as of October 1, 2004. On February 15, 2016, the Company completed the merger and take over by Valores Security of Penta Corredores de Bolsa S.A.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2023, subscribed and paid-in capital totaled MCH$36,394.

PERCENTAGE OF TOTAL GRUPO SECURITY ASSETS

The total assets of Valores Security S.A. Corredores de Bolsa represent 2.455% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Transactions between the Company and its related parties consist of customary transactions in terms of their objective and conditions. Transactions between the Company and its related parties have been carried out under normal market conditions. Administradora General de Fondos Security S.A. belongs to Banco Security, whose controller is Grupo Security S.A.

Chairman of the Board	**Enrique Menchaca O.**	Tax ID Number: 6.944.388-5
	Roberto Tresoldi M.	Tax ID Number: 13.254.002-0
Directors	**Máximo Hitoshi K.**	Tax ID Number: 21.259.467-9
Chief Executive Officer	**Piero Nasi T.**	Tax ID Number: 13.190.931-4

PROPERTIES [NCG 461 6.4]

HEADQUARTERS

Location	Surface (m^2)	Property Type
Apoquindo 3100, −1, Santiago	722	Owned
Apoquindo 3100, f1, Santiago	602,75	Owned
Apoquindo 3100, f2, Santiago	1,148,14	Owned
Apoquindo 3180, −1, Santiago	373,09	Owned
Apoquindo 3180, f1, Santiago	585,29	Owned
Apoquindo 3150, 1 underground, Santiago	115,87	Owned
Agustinas 621, floor 1, Santiago	517	Owned
Agustinas 621, floor 2, Santiago	337	Owned
Agustinas 621, floor 3, Santiago	337	Owned
Agustinas 621, floor 4, Santiago	337	Owned
Agustinas 621, floor 5, Santiago	337	Owned
Agustinas 621, floor 7, Santiago	337	Owned
Agustinas 621, floor 8, Santiago	337	Owned
Agustinas 621, floor −1, Santiago	517	Owned
Agustinas 621, floor −2, Santiago	517	Owned
Teatinos 251 of 301, Santiago	288	Leased
Apoquindo 3150, floor 2, Santiago	220	Owned
Apoquindo 3150, floor 3, Santiago	791,37	Owned
Apoquindo 3150, floor 4, Santiago	423,9	Owned
Apoquindo 3150, floor 4, Santiago	413,4	Owned
Apoquindo 3150, floor 5, Santiago	206,7	Owned
Apoquindo 3150, floor 5, Santiago	206,7	Owned
Apoquindo 3150, floor 5, Santiago	423,9	Owned
Apoquindo 3150, floor 10, Santiago	232,05	Owned
Apoquindo 3150, floor 11, Santiago	232,05	Owned
Augusto Leguía 70, floor 8, Santiago	274,6	Leased
Augusto Leguía 70, floor 9, Santiago	582,48	Leased
Augusto Leguía 70, floor 10, Santiago	582,48	Leased
Augusto Leguía 70, floor 11, Santiago	582,48	Leased
Augusto Leguía 70, floor 12, Santiago	582,48	Leased
Augusto Leguía 100 1/4 floor 13, Santiago	180	Leased
Augusto Leguía 70, floor 8, Santiago	307,85	Leased
Apoquindo 3150, floor 6, Santiago	605,2	Leased

BRANCHES

Location	Surface (m^2)	Property Type
A. Vespucio 2760 C, Santiago	335	Leased
Av. Del Parque 4023, Santiago	145	Leased
Av. Providencia, Santiago	467	Leased
Av. La Dehesa 1744, Santiago	329	Owned
Vitacura 6577, Santiago	280	Leased
Presidente Riesco 5335, unit 101, Santiago	320	Leased
Carlos Ossandón 1231, Santiago	280	Leased
San Martín 2511, Antofagasta	390	Owned
Calle Huanhualí 85, unit 6, La Serena	427	Leased
Chacabuco 681, office 1001, Copiapó	126,63	Leased
Libertad 1097, Viña del Mar	314	Leased
Carr. Edo. Frei Montalva 340, unit 6, Rancagua	380	Leased
Av. Circunvalación Norte 1055, L. B-2, Talca	384	Leased
O'Higgins 428, Concepción	589	Owned
Bulnes 701, Temuco	550	Owned
Guillermo Gallardo 132, Puerto Montt	530	Leased

MATERIAL EVENTS [NCG 461 9]

JANUARY | FEBRUARY | MARCH

SANTIAGO, JANUARY 3, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z6 Bond, Code BSECZ61219, for a total amount of CH$1,500,000,000, maturing on December 1, 2024, at an average placement rate of 8.05%, registered in the Securities Registry under number 4/2020 on March 12, 2020.

SANTIAGO, JANUARY 11, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series C3 Bond, Code BSECC30721, for a total amount of UF1,000,000, maturing on July 1, 2026, at an average placement rate of 3.08%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, JANUARY 16, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z7 Bond, Code BSECZ71119, for a total amount of CH$6,000,000,000, maturing on November 1, 2025, at an average placement rate of 6.71%, registered in the Securities Registry under number 4/2020 on March 12, 2020.

SANTIAGO, JANUARY 17, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z7 Bond, Code BSECZ71119, for a total amount of CH$1,000,000,000, maturing on November 1, 2025, at an average placement rate of 6.69%, registered in the Securities Registry under number 4/2020 on March 12, 2020.

SANTIAGO, JANUARY 18, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z7 Bond, Code BSECZ71119, for a total amount of CH$500,000,000, maturing on November 1, 2025, at an average placement rate of 6.65%, registered in the Securities Registry under number 4/2020 on March 12, 2020.

SANTIAGO, JANUARY 19, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z7 Bond, Code BSECZ71119, for a total amount of CH$26,000,000,000, maturing on November 1, 2025, at an average placement rate of 6.76%, registered in the Securities Registry under number 4/2020 on March 12, 2020.

SANTIAGO, FEBRUARY 2, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D5 Bond, Code BSECD50421, for a total amount of UF 720,000, maturing on April 1, 2028, at an average placement rate of 2.98%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 1, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D5 Bond, Code BSECD50421, for a total amount of UF 365,000, maturing on April 1, 2028, at an average placement rate of 3.27%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 8, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D5 Bond, Code BSECD50421, for a total amount of UF 300,000, maturing on April 1, 2028, at an average placement rate of 3.34%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 10, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D6 Bond, Code BSECD60521, for a total amount of UF 150,000, maturing on November 1, 2031, at an average placement rate of 3.00%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 16, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific conditions of the placement were as follows: Series D5 Bond, Code BSECD50421, for a total amount of UF 525,000, maturing on April 1, 2028, at an average placement rate of 3.13%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 21, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D6 Bond, Code BSECD60521, for a total amount of UF 150,000, maturing on November 1, 2031, at an average placement rate of 2.81%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 22, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D5 Bond, Code BSECD50421, for a total amount of UF 50,000, maturing on April 1, 2028, at an average placement rate of 3.05%, registered in the Securities Registry under number 6/2021 on September 23, 2021 and Series D6 Bond, Code BSECD60521, for a total amount of UF 170. 000, maturing on November 1, 2031, at an average placement rate of 2.81%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 23, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series "D5 Bond, Code BSECD50421, for a total amount of UF 630,000, maturing on April 1, 2028, at an average placement rate of 3.07%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 29, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D6 Bond, Code BSECD60521, for a total amount of UF 1,250,000, maturing on November 1, 2031, at an average placement rate of 2.74%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, MARCH 30, 2023

At the Board meeting held on February 22, the Board agreed to call an annual general meeting for April 11, 2023, informing the matters to be discussed. At the aforementioned meeting, the Board also agreed to propose a dividend of CH$330.50 per share at the annual general meeting.

SANTIAGO, APRIL 14, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series C3 Bond, Code BSECC30721, for a total amount of UF 45,000, maturing on July 1, 2026, at an average placement rate of 3.40%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, APRIL 28, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Q5 Bond, Code

APRIL MAY JUNE JULY

BSECQ50922, for a total amount of UF 2,000,000, maturing on September 1, 2038, at an average placement rate of 3.00%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, JUNE 2, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D8 Bond, Code BSECD81222, for a total amount of UF 570,000, maturing on December 1, 2033, at an average placement rate of 3.04%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, JUNE 5, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D8 Bond, Code BSECD81222, for a total amount of UF 200,000, maturing on December 1, 2033, at an average placement rate of 3.00%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, JUNE 28, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z9 Bond, Code BSECZ91222, for a total amount of CH$11,300,000,000, maturing on December 1, 2027, at an average placement rate of 6.35%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, JUNE 29, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z9 Bond, Code BSECZ91222, for a total amount of CH$10,000,000,000, maturing on December 1, 2027, at an average placement rate of 6.35%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, JULY 3, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z9 Bond, Code BSECZ91222, for a total amount of CH$9,800,000,000, maturing on December 1, 2027, at an average placement rate of 6.31%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, JULY 7, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z9 Bond, Code BSECZ91222, for a total amount of CH$8,500,000,000, maturing on December 1, 2027, at an average placement rate of 6.29%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, JULY 13, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z9 Bond, Code BSECZ91222, for a total amount of CH$1,000,000,000, maturing on December 1, 2027, at an average placement rate of 6.30%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, NOVEMBER 8, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D6 Bond, Code BSECD60521, for a total amount of UF 90,000, maturing on November 1, 2031, at an average placement rate of 3.97%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, NOVEMBER 8, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series D6 Bond, Code BSECD60521, for a total amount of UF 320,000, maturing on November 1, 2031, at an average placement rate of 3.99%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, NOVEMBER 10, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the

NOVEMBER DECEMBER

placement were as follows: Series D6 Bond, Code BSECD60521, for a total amount of UF 200,000, maturing on November 1, 2031, at an average placement rate of 3.99%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, DECEMBER 14, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z9 Bond, Code BSECZ91222, for a total amount of CH$8,000,000,000, maturing on December 1, 2027, at an average placement rate of 6.33%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, DECEMBER 15, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series C4 Bond, Code BSECC40321, for a total amount of UF 430,000, maturing on March 1, 2027, at an average placement rate of 3.63%, registered in the Securities Registry under number 6/2021 on September 23, 2021.

SANTIAGO, DECEMBER 22, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series Z9 Bond, Code BSECZ91222, for a total amount of CH$1,000,000,000, maturing on December 1, 2027, at an average placement rate of 6.31%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, DECEMBER 26, 2023

Partial placement of dematerialized and bearer bonds in the local market. The specific terms of the placement were as follows: Series C4 Bond, Code BSECD71122, for a total amount of UF 80,000, maturing on November 1, 2032, at an average placement rate of 3.26%, registered in the Securities Registry under number 3/2023 on March 31, 2023.

SANTIAGO, DECEMBER 26, 2023

Errata in relation to the material event issued on December 26, 2023, regarding the placement of debt securities in the domestic market, in paragraph 1, where it says C4, it should read D7.

SANTIAGO, DECEMBER 29, 2023

Informs as a material event, that it has become aware of Exempt Resolution No. 10100, dated December 21, 2023, issued by the CMF, whereby it has resolved to apply a fine of UF 2,500 for failing to promptly return the insurance premiums paid and not accrued to a group of customers who prepaid loans, due to an operational incident that has already been corrected. It complies with its duty to inform the market of this situation, in compliance with its reporting duties.

COMMENTARY FROM SHAREHOLDERS AND DIRECTORS' COMMITTEE

[NCG 461 10]

For the year 2023, there were no comments or proposals regarding the Company as a going concern presented by the Company's shareholders. The Bank has not formed a Directors' Committee as required by Article 50 bis of Law 18,046 for Corporations.

INDICATORS

CONTENT INDEX FOR NCG 461 OF THE FINANCIAL MARKET COMMISSION (CMF)

Note
* The Company has not identified any risks that pose a threat to the health and safety of its customers.
** Banco Security does not have any customers who account for more than 10% of its revenue.

Note
* The Company has not identified any risks that pose a threat to the health and safety of its customers.
** Banco Security does not have any customers who account for more than 10% of its revenue.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) – COMMERCIAL BANKING

Category	Contents			Page
Data security	FN-CB-230a.1	Number of data breaches, percentage involving personally identifiable information (PII), number of account holders.		95
	FN-CB-230a.2	Description of the approach to identifying and addressing data security risks		94
Financial inclusion and capacity building	FN-CB-240a.1	Number and amount of outstanding qualified loans for programs designed to promote small business and community development.	Banco Security joined the FOGAPE credit granting policy promoted by the Chilean government. A total of 1,279 loans were processed for principal of MCH$137,744.	
	FN-CB-240a.2	Number and amount of past due and nonperforming loans qualified for programs designed to promote small business and community development.	A total of 66 loans were processed for principal of MCH$6,134. No write-offs were considered in the calculation, only non-performing loans.	
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Banco Security does not have accounts that meet these characteristics.	
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked and underserved customers.		146
Incorporation of environmental, social and governance factors in credit analysis	FN-CB-410a.2	Description of the approach for incorporating environmental, social and governance (ESG) factors into credit analysis.		122
Business ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations		75
	FN-CB-510a.2	Description of whistleblower/complaint policies and procedures		75
Systemic risk management	FN-CB-550a.1	Global systemically important bank (G-SIB) assessment score.	According to the CMF's most recent assessment, notified in March 2023, Banco Security is not considered a systemic bank, based on information for 2022.	
Systemic risk management	FN-CB-550a.2	Discussion of the management approach for incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities.		84
Activity metrics	FN-CB-000.A	Number and value of checking and savings accounts by segment: retail and small business.		41
	FN-CB-000.B	Number and value of loans by segment: retail, small business, and commercial.		41

FINANCIAL STATEMENTS

Consolidated Financial Statements as of December 31, 2023 and 2022.

BANCO SECURITY AND SUBSIDIARIES

Santiago, Chile

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Building a better working world

EY Chile
Avda. Presidente
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Independent Auditors' Report

To the Shareholders and Directors
of Banco Security

We have audited the consolidated financial statements of Banco Security and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Banco Security and 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 Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are described in the section "Auditor's responsibility for the audit of the consolidated financial statements" in this opinion. In accordance with the ethical requirements relevant to our audits of the consolidated financial statements, we are required to remain independent from Banco Security and subsidiaries and to comply with other ethical responsibilities under such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with 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 of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are facts or circumstances, which as a whole, give rise to substantial doubt about the ability of Banco Security and subsidiaries to continue as a going concern for at least twelve months from the end of the reporting period, but not limited to that period.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high, although not absolute, level of assurance. It does not, therefore, provide assurance that an audit performed in accordance with Generally Accepted Auditing Standards in Chile will always detect a material misstatement where one exists. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations or disregard of controls by management.

A misstatement is considered material if, individually or in aggregate, it could influence the judgment of a reasonable user of these consolidated financial statements.

As part of an audit conducted in accordance with Generally Accepted Auditing Standards in Chile, we:

- Exercise our professional judgment and maintain our professional skepticism throughout the audit.
- dentify 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 evidence regarding the amounts and disclosures in the consolidated financial statements, by testing such evidence.
- Understand the internal control for an audit, in order to design appropriate audit procedures for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Banco Security's and its subsidiaries' internal control. Accordingly, we express no such opinion.
- We evaluated the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the appropriateness of the overall presentation of the consolidated financial statements.
- We conclude whether in our judgment there are facts or circumstances that, as a whole, give rise to substantial doubt about the ability of Banco Security and subsidiaries to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance, among other matters, the planned timing and scope of the audit and significant audit findings, including any significant internal control deficiencies and material weaknesses we may have identified during our audit.

Rodrigo Arroyo N.
EY Audit Ltda.

Santiago, February 22, 2024.

TABLE OF CONTENTS
FINANCIAL STATEMENTS

22. Financial liabilities at amortized cost
23. Regulatory capital financial instruments issued
24. Contingency provisions
25. Provisions for dividends, interest payments and repricing of regulatory capital financial instruments
26. Special allowances for loan losses
27. Other liabilities
28. Equity
29. Contingencies and commitments
30. Interest income and expenses
31. Indexation income and expenses
32. Fee and commission income
33. Net financial operating income
34. Income attributable to investments in other companies
35. Gain (loss) from non-current assets and disposal groups not admissible as discontinued operations
36. Other operating income and expenses
37. Employee benefit obligation expenses
38. Administrative expenses
39. Depreciation and amortization
40. Impairment of non-financial assets
41. Provisions for credit losses
42. Profit (loss) from discontinued operations
43. Related party disclosures
44. Fair value of financial assets and liabilities
45. Maturity of financial assets and liabilities by their remaining terms
46. Financial and non-financial assets and liabilities by currency
47. Risk management and reporting
48. Information on regulatory capital and capital adequacy indicators
49. Subsequent events

BANCO SECURITY AND SUBSIDIARIES

Consolidated Financial Statements

(In MCH$)

ASSETS	NOTES	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Cash and due from banks	7	422,273	442,055
Transactions in the course of collection	7	92,767	48,802
Financial instruments held for trading at fair value through profit and loss	**8**	**219,814**	**283,665**
Financial derivative instruments	8	156,551	231,099
Debt financing instruments	8	55,317	48,632
Other	8	7,946	3,934
Financial assets not for trading that must be measured at fair value through profit and loss	9	-	-
Financial assets at fair value through profit and loss	10	-	-
Financial assets at fair value through other comprehensive income	**11**	**1,792,508**	**1,810,089**
Debt financing instruments	11	1,787,558	1,806,527
Other	11	4,950	3,562
Financial derivative instruments for hedging	**12**	**34,114**	**46,843**
Financial assets at amortized cost	**13**	**7,810,581**	**7,147,200**
Investments under resale agreements and securities borrowing	13	-	-
Debt financing instruments	13	689,835	43,423
Loans and advances to banks	13	141	-
Customer loans and receivables - commercial	13	5,542,190	5,669,586
Customer loans and receivables - mortgage	13	1,127,326	1,002,716
Customer loans and receivables - consumer	13	451,089	431,475
Investments in other companies	14	2,576	2,470
Intangible assets	15	46,972	39,266
Property, plant and equipment	16	17,200	18,895
Right-of-use leased assets	17	10,929	6,361
Current tax assets	18	1,894	16,732
Deferred tax assets	18	80,925	69,187
Other assets	19	74,247	74,087
Non-current assets and disposal groups held for sale	20	38,345	24,569
TOTAL ASSETS		**10,645,145**	**10,030,221**

* The accompanying notes, numbers 1 to 33, are an integral part of these Financial Statements.

LIABILITIES	NOTES	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Transactions in the course of payment	7	77,692	23,711
Financial liabilities held for trading at fair value through profit and loss	**21**	**159,005**	**240,562**
Financial derivative instruments	21	159,005	240,562
Other	21	-	-
Financial liabilities at fair value through profit or loss	10	-	-
Financial derivative instruments for hedging	12	23,635	21,451
Financial liabilities at amortized cost	**22**	**8,842,485**	**8,350,005**
Current accounts and demand deposits	22	968,887	1,088,447
Savings accounts and other term deposits	22	2,951,078	2,450,519
Payables from repurchase agreements and securities lending	22	16,944	7,372
Borrowings from financial institutions	22	1,493,172	1,513,112
Debt financing instruments	22	3,383,824	3,258,175
Other financial liabilities	22	28,580	32,380
Lease liabilities	17	11,513	6,725
Regulatory capital financial instruments issued	23	401,095	392,467
Contingency provisions	24	33,626	25,671
Provisions for dividends, interest and reappraisal of regulatory capital financial instruments issued	25	53,001	42,710
Special allowances for loan losses	26	34,299	29,566
Current tax liabilities	18	28,131	193
Deferred tax liabilities	18	-	-
Other liabilities	27	96,778	105,545
Liabilities included in disposal group held for sale	20	-	-
TOTAL LIABILITIES		**9,761,260**	**9,238,606**

EQUITY			
Capital	28	325,041	325,041
Reserves	28	19,697	18,171
Cumulative other comprehensive income	**28**	**8,712**	**6,050**
Items that will not be reclassified to profit or loss	28	240	154
Items that may be reclassified to profit or loss	28	8,472	5,896
Retained earnings from prior periods	28	406,712	342,646
Profit for the year	28	176,670	142,366
Less: Minimum dividend provision	28	(53,001)	(42,710)
Attributable to owners of the Bank		**883,831**	**791,564**
Attributable to non-controlling interest	**28**	**54**	**51**
TOTAL EQUITY		**883,885**	**791,615**
TOTAL LIABILITIES AND EQUITY		**10,645,145**	**10,030,221**

* The accompanying notes, numbers 1 to 33, are an integral part of these Financial Statements.

BANCO SECURITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In millions of pesos)

CONSOLIDATED STATEMENTS OF INCOME	NOTES	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Interest income	30	796,478	536,925
Interest expense	30	(389,632)	(295,507)
Net interest income	**30**	**406,846**	**241,418**
Indexation income	31	192,985	513,277
Indexation expense	31	(173,731)	(410,362)
Net indexation income	**31**	**19,254**	**102,915**
Fee and commission income	32	76,119	74,399
Fee and commission expense	32	(11,379)	(9,024)
Net fee and commission income	**32**	**64,740**	**65,375**
Net financial operating income from:			
Financial assets and liabilities held for trading		16,624	218
Financial assets not for trading that must be measured at fair value through profit and loss	33	-	-
Financial assets and liabilities at fair value through profit and loss	33	-	-
Gain (loss) from derecognition of financial assets and liabilities not at fair value through profit and loss.	33	-	(2,102)
Foreign currency changes, indexation and hedge accounting	33	(7,260)	(147)
Reclassifications of financial assets due to change in business model	33	-	-
Other financial operating income	33	-	-
Net financial operating income (loss)	**33**	**9,364**	**(2,031)**
Income attributable to investments in other companies	34	778	409
Gain (loss) from non-current assets and disposal groups not admissible as discontinued operations	35	(6,497)	(2,892)
Other operating income	36	3,858	2,860
TOTAL OPERATING INCOME		**498,343**	**408,054**
Employee benefit obligation expenses	37	(82,229)	(69,419)
Administrative expenses	38	(97,246)	(84,288)
Depreciation and amortization	39	(6,261)	(7,018)
Impairment of non-financial assets	40	(7,807)	(88)
Other operating expenses	36	(14,474)	(14,717)
TOTAL OPERATING EXPENSES		**(208,017)**	**(175,530)**
OPERATING INCOME BEFORE PROVISIONS FOR CREDIT LOSSES		**290,326**	**232,524**

CONSOLIDATED STATEMENTS OF INCOME	NOTES	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Provisions for credit losses for:			
Allowances for loan losses on loans and advances to banks and customer loans and receivables	41	(79,637)	(70,612)
Special allowances for loan losses	41	(4,580)	(13,956)
Collection of written-off loans	41	11,162	14,608
Impairment due to credit risk of other financial assets at amortized cost and financial assets at fair value through other comprehensive income	41	(303)	(2,965)
Provisions for credit losses	**41**	**(73,358)**	**(72,925)**
NET OPERATING INCOME		216,968	159,599
Profit from continuing operations before tax			
Income tax expense	18	(40,295)	(17,228)
Profit from continuing operations after tax		176,673	142,371
Profit from discontinued operations before tax	42	-	-
Tax on discontinued operations	18	-	-
Profit from discontinued operations after tax	42	-	-
CONSOLIDATED PROFIT FOR THE YEAR (OR PERIOD)	**28**	**176,673**	**142,371**
Attributable to:			
Owners of the Bank	28	176,670	142,366
Non-controlling interest	28	3	5
Earnings per share attributable to owners of the Bank:			
Basic earnings per share	28	746	601
Diluted earnings per share	28	746	601
No. of Shares		**236,916,372**	**236,916,372**

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

(In millions of pesos)

	NOTES	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
CONSOLIDATED PROFIT FOR THE YEAR (OR PERIOD)	**28**	**176,673**	**142,371**
Other comprehensive income for the year from:			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	**28**	**-**	**-**
Remeasurement of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	28	-	-
Changes in the fair value of equity instruments at fair value through other comprehensive income	28	240	154
Changes in the fair value of financial liabilities at fair value through profit or loss attributable to changes in the credit risk of the financial liability	28	-	-
Other	28	-	-
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT BEFORE TAX	**28**	**-**	**-**
Income tax related to items of other comprehensive income (loss) that will not be reclassified to profit (loss)	18	-	-
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT AFTER TAX	**28**	**-**	**-**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Changes in the fair value of financial assets at fair value through other comprehensive income	28	14,037	3,693
Translation differences for foreign operations		-	-
Accounting hedge for net investments in foreign operations	28	-	-
Cash flow hedge	28	(2,431)	4,384
Non-designated elements of accounting hedges	28	-	-
Other	28	-	-
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT BEFORE TAX	**28**	**11,606**	**8,077**
Income tax related to items of other comprehensive income (loss) that may be reclassified to profit (loss)	**18**	**(3,134)**	**(2,181)**
TOTAL OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT AFTER TAX	**28**	**8,472**	**5,896**
Other total comprehensive income for the year	**28**	**8,712**	**6,050**
Consolidated comprehensive income for the year	**28**	**185,385**	**148,421**
Attributable to:			
Owners of the Bank	**28**	**185,382**	**148,416**
Non-controlling interest	**28**	**3**	**5**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of pesos MCH$)

	Note	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated profit before tax		216,968	159,599
Charges (credits) to profit that do not represent cash flows:			
Provisions for credit losses	41	73,358	70,612
Depreciation and amortization	39	6,261	7,018
Impairment of non-financial assets	40	7,807	88
Other provisions		11,557	4,825
Operational write-offs		-	(124)
Changes in deferred tax assets and liabilities		(11,738)	(10,402)
Valuation of investments in trading book		(1,311)	(670)
Valuation of trading derivatives		(7,010)	4,862
Income attributable to investments in other companies		(778)	(409)
Gain (loss) on sales of repossessed or awarded assets		(376)	(203)
Net interest income	30	(406,846)	(241,418)
Net indexation income	31	(19,254)	(102,915)
Net fee and commission income	32	(64,740)	(65,375)
Other credits (charges) that do not represent cash flows		(13,428)	7,038
Changes in operating assets and liabilities:			
(Increase) decrease in loans and advances to banks		(142)	2,834
(Increase) decrease in customer loans and receivables		(15,044)	(219,872)
(Increase) decrease in investments		(639,528)	(457,327)
(Increase) decrease in leased assets		3,237	(5,327)
Sale of repossessed assets		1,640	930
Increase (decrease) in current accounts and other demand deposits		(119,411)	(629,169)
Increase (decrease) in sales with repurchase agreements and securities lending		9,572	4,901
Increase (decrease) in savings accounts and other term deposits		506,755	531,145
Net change in mortgage bonds		(201)	(407)
Net change in senior bonds		87,979	210,652
(Increase) decrease in other assets and liabilities		(18,533)	(51,810)
Recovered taxes		20,838	89
Interest and indexation received		863,394	641,359
Interest and indexation paid		(457,718)	(296,552)
Fees and commissions received		76,119	73,879
Fees and commissions paid		(11,379)	(6,876)
Net cash flows provided by (used in) operating activities		**98,048**	**(369,025)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of pesos MCH$)

	Note	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	16	(919)	(522)
Acquisition of intangible assets	15	(17,738)	(1,939)
Sale of property, plant and equipment	16	–	–
Net cash flows used in investing activities		**(18,657)**	**(2,461)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in borrowings from domestic financial institutions		449	1,294
Increase (decrease) in borrowings from foreign financial institutions		(22,410)	47,081
Variation in Central Bank obligations		–	(11,800)
Increase (decrease) in other financial liabilities		(3,873)	2,436
Increase (decrease) in subordinated bonds		(5,051)	(6,139)
Capital increase		–	–
Dividends paid		(78,301)	(46,277)
Net cash flows used in financing activities		**(109,186)**	**(13,405)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(29,795)	(384,891)
EFFECT OF CHANGES IN EXCHANGE RATES		–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7	467,146	852,042
EFFECT OF NON-CONTROLLING INTERESTS		(3)	(5)
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	437,348	467,146

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of pesos MCH$)

		Attributable to Owners of the Bank								
					Retained Earnings					
	Note	Paid-in Capital MCH$	Reserves MCH$	Other Cumulative Comprehensive Income MCH$	Prior Years MCH$	Profit for the Year MCH$	Minimum Dividend Provision MCH$	Total MCH$	Non-Controlling Interest MCH$	Total
Opening balances as of January 1, 2022		**325,041**	**17,309**	**(8.613)**	**311,796**	**77,127**	**(23.138)**	**699,522**	**57**	**699,579**
Reclassification of profit for the year	28	-	-	-	77,127	(77.127)	23,138	23,138	-	23,138
Dividends distributed and paid	28	-	-	-	(46.277)	-	-	(46.277)	-	(46.277)
Other equity movements		-	862	-	-	-	-	862	(11)	851
Subscribed and paid-in common shares	28	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	28	-	-	14,663	-	-	-	14,663	-	14,663
Profit for the year 2022		-	-	-	-	142,366	-	142,366	5	142,371
Provision for common stock dividends	28	-	-	-	-	-	(42.710)	(42.710)	-	(42.710)
Balances as of December 31, 2022		**325,041**	**18,171**	**6,050**	**342,646**	**142,366**	**(42.710)**	**791,564**	**51**	**791,615**
Opening balances as of January 1, 2023		**325,041**	**18,171**	**6,050**	**342,646**	**142,366**	**(42.710)**	**791,564**	**51**	**791,615**
Reclassification of profit for the year		-	-	-	142,366	(142.366)	-	-	-	-
Dividends distributed and paid	28	-	-	-	(78.300)	-	42,710	(35.590)	-	(35.590)
Other equity movements	28	-	1,526	-	-	-	-	1,526	-	1,526
Subscribed and paid-in common shares	28	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	28	-	-	2,662	-	-	-	2,662	-	2,662
Profit for the year 2023	28	-	-	-	-	176,670	-	176,670	3	176,673
Provision for common stock dividends	28	-	-	-	-	-	(53.001)	(53.001)	-	(53.001)
Balances as of December 31, 2023		**325,041**	**19,697**	**8,712**	**406,712**	**176,670**	**(53.001)**	**883,831**	**54**	**883,885**

NOTE 1 – BUSINESS DESCRIPTION

Banco Security (hereinafter the "Bank") is a corporation regulated by the Financial Market Commission. The Bank is headquartered at Av. Apoquindo 3,100, Las Condes, Santiago.

The Bank offers international banking and treasury services targeted mainly towards medium-sized and large companies and individuals in the high-income segment.

In addition, through its subsidiaries Valores S.A. Corredores de Bolsa and Administradora General de Fondos Security S.A., the Bank offers its customers securities brokerage, asset management and retirement advisory services, as well as voluntary pension savings products, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with regulations from the Financial Market Commission (hereinafter CMF) contained in the Compendium of Accounting Standards (hereinafter CNCB) and specific instructions issued by that entity. In all matters not addressed in the compendium, the Bank applies the technical standards issued by the Chilean Institute of Accountants, which coincide with International Financial Reporting Standards (IFRS). Should any discrepancies arise between these policies and the accounting criteria issued by the CMF (CNCB), the latter shall take precedence.

2.2 Basis of preparation

The consolidated financial statements have been prepared on an historical cost basis except for the following items, which have been measured using an alternative basis at each reporting date.

Item	Basis of Measurement
Financial assets and liabilities held for trading at fair value through profit and loss	Fair value
Financial assets at fair value through other comprehensive income	Fair value
Assets and liabilities for financial derivative instruments for hedging	Fair value
Financial assets and liabilities at fair value through profit and loss	Fair value
Contingent consideration assumed in a business combination (goodwill)	Fair value

2.3 Functional currency

In accordance with IAS 21, the items included in the financial statements of the Bank and its subsidiaries are valued using the currency of the primary economic environment in which it operates (functional currency). The functional currency of the Bank and its subsidiaries is the Chilean peso. All figures are rounded to millions of Chilean pesos. All balances and transactions in currencies other than the Chilean peso are considered foreign currency.

2.4 Estimates and judgments

In preparing the financial statements in accordance with the CMF CNCB, the Bank requires management to make some estimates, judgments and assumptions that impact the reported statements. Actual results in subsequent periods may differ from the estimates used.

- These relevant estimates and assumptions are reviewed regularly by the Bank's senior management in order to quantify the effects on asset, liability and profit or loss accounts.

- Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future period that is affected.

The most significant areas of estimates of uncertainties and judgments in applying accounting criteria or policies are:

- Financial assets held for trading at fair value through profit and loss.
- Financial assets at fair value through other comprehensive income.
- Allowances for loan losses for financial assets at amortized cost.
- Impairment of financial assets at fair value through comprehensive income.
- The useful life of property, plant and equipment, intangible assets and leasehold assets.
- Contingencies and commitments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Consolidation criteria

The financial statements of Banco Security and Subsidiaries as of December 31, 2023 and 2022, have been consolidated with those of its subsidiaries using the global integration method (i.e., line by line). These consist of the preparation of the individual financial statements of the Bank and of the consolidated subsidiaries and include the adjustments and reclassifications necessary for standardizing accounting policies and valuation criteria used by the Bank in accordance with standards and instructions from the Financial Market Commission. The consolidated financial statements have been prepared using uniform accounting policies for similar transactions and other events in equivalent circumstances.

Operations, transactions and significant balances (asset and liabilities, equity, revenue, expenses and cash flows) between the Bank and its subsidiaries and between these have been eliminated upon consolidation, and the non-controlling interest has also been recognized corresponding to the percentage interest of third parties in the subsidiaries of which Banco Security is not directly or indirectly the owner, and is shown separately in the consolidated equity and results of Banco Security.

- Subsidiaries.

Subsidiaries are entities controlled by the Bank. Control exists when the Bank has power over the financial and operating policies of an entity for the purpose of profiting from its activities. The financial statements of subsidiaries are included in the consolidated financial statements as of the date on which control begins.

The Bank's financial statements have been consolidated with those of its subsidiaries. All significant balances between the Bank and its subsidiaries or among subsidiaries, as well as income and expenses arising from transactions with subsidiaries, have been eliminated upon consolidation.

- Investments in associates accounted for using the equity method.

Associates are entities over which the Bank has the ability to exercise significant influence, but not control. Usually, this ability manifests itself through an ownership interest of 20% or more of the entity's voting rights and it is accounted for using the equity method, with profit or loss being recognized on an accrual basis.

- Investments in other companies.

In this category are presented those entities over which the Bank has neither control nor significant influence. It includes interests in domestic and foreign companies, which according to CMF regulations, are recorded at cost and subject to impairment tests when indicators have been identified.

Due to applying IFRS 9 as of January 1, 2022, the Bank has decided to account for these investments at market value.

This decision was made because the Bank's minority investments are unlisted special purpose companies for banking and only shares are transferred between investors at book value. They are accounted for at equity method value less impairment, if any.

Additionally, the Bank has an investment in a listed special purpose company (SWIFT). Its fair value will be calculated by multiplying the shares held by the Bank by the market value on the last business day.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Non-controlling interest

Third-party interests in the Bank's equity are presented separately in the statement of financial position as "non-controlling interest" and are presented in the statement of income after profit or loss attributable to the equity holders of the Bank.

Non-controlling interest represents the equity of a subsidiary that is not directly or indirectly attributable to the controller.

The following table describes the Bank's ownership interest in its consolidated subsidiaries.

	Ownership Interest 2023 %	Ownership Interest 2022 %
Valores Security S.A. Corredores de Bolsa	99,88	99,88
Administradora General de Fondos Security S.A.	99,99	99,99

2.7 Financial assets and liabilities:

• Initial recognition and measurement

The Bank and its subsidiaries recognize a financial asset or liability in their statement of financial position when, and only when, it becomes part of the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. In the case of an item not measured at fair value through profit or loss, transaction costs directly attributable to its acquisition or issuance are included. Customer loans and receivables are initially measured at amortized cost.

On initial recognition, a financial asset is measured and classified as:

- Financial assets at amortized cost
- Financial assets held for trading at fair value through profit or loss
- Financial assets not for trading that must be measured at fair value through profit and loss.
- Financial assets at fair value through other comprehensive income.

• Financial assets – Business model assessment

The Bank and its subsidiaries have a process for evaluating the objective of the business model in which they hold financial assets at portfolio level since this is the level that best reflects how the business is managed and the information provided to senior management. The information considered includes:

Within the framework of Banco Security's policies, these describe the objectives, responsibilities and alignments for managing financial instruments. These guidelines define the integral management of financial investments to maximize return on equity with limited risk levels.

The Bank's strategies are focused on optimizing the use of capital to maximize its return in the short, medium and long term, maintaining low risk levels and allowing for sustained growth and long-term relationships with both its customers and the various players in the financial market.

The Bank has strategies to manage flows of assets and liabilities on the balance sheet, seeking to generate returns on its funds and the accrual of interest, take advantage of market asymmetries and income from buying and selling financial instruments.

Portfolio performance and how it is reported to the management of the Bank and its subsidiaries.

The risks that affect the performance of the business model (and the financial assets held in the business model) and, in particular, how those risks are are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, based on the

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Group's ongoing recognition of the assets.

Financial assets that are maintained for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit and loss.

• Financial assets – Evaluation of whether contractual cash flows are solely payments of principal and interest

For the purposes of this evaluation, 'principal' is defined as the fair value of the financial asset upon initial recognition. 'Interest' is defined as the consideration for the time value of money for the credit risk associated with the outstanding principal amount during a given period of time and for other risks and basic borrowing costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Upon evaluating whether the contractual cash flows are solely payments of principal and interest, The Bank and its subsidiaries consider the contractual terms of the instrument. This includes evaluating whether a financial asset contains a contractual condition that could change the timing or amount of the contractual cash flows so that it would not meet this condition. In conducting this evaluation, the Bank and its subsidiaries consider:

- Contingent facts that would change the amount or timing of the cash flows.
- Terms that could adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and terms that limit the right of the Bank and its subsidiaries to the cash flows from specific assets (e.g. without recourse features).

A prepayment feature is consistent with the criterion of solely payment of principal and interest if the amount of the prepayment substantially represents the amounts of unpaid principal and interest over the principal amount, which can include reasonable additional compensation for early termination of the contract. In addition, in the case of a financial asset acquired at a discount or a premium over its contractual nominal amount, a feature that allows or requires prepayment of an amount that substantially represents the contractual nominal amount plus the accrued (but unpaid) contractual interest (that can also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant upon initial recognition.

• Financial assets held for trading at fair value through profit or loss

Financial instruments held for trading are securities acquired to obtain a profit from short-term fluctuations in price, or for the dealer's margin, or to include in a portfolio where there is a pattern of short-term profit-making. They are recognized at fair value based on year-end market prices. Gains or losses from fair value adjustments, as well as gains or losses from trading activities and accrued interest and indexation, are included in "financial instruments held for trading" within "net financial operating income" in the statement of income, as specified in detail in Note 33 to the consolidated financial statements. All purchases or sales of financial instruments held for trading that must be delivered within a period of time established by regulations or market conventions are recognized on the trading date, which is the date on which the purchase or sale of the asset is agreed upon. Any other purchase or sale is treated as a derivative (forward) until settlement occurs.

Financial assets recorded under "Financial assets not held for trading that must be measured at fair value through profit and loss" are assigned to a business model whose objective is achieved by obtaining contractual cash flows and/or selling financial assets but the contractual cash flows have not met the conditions of the SPPI test.

Financial assets are classified under "Financial assets at fair value through profit or loss" only when such designation eliminates or significantly reduces the

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

measurement or recognition inconsistency that would arise from measuring or recognizing the assets on a different basis.

The assets recorded in these captions of the Consolidated Statement of Financial Position are valued after acquisition at fair value and the changes in their value are recorded net in "Financial assets and liabilities held for trading", "Financial assets not held for trading that must be measured at fair value through profit or loss" and "Financial assets and liabilities at fair value through profit or loss" in the Consolidated Statement of Income. Changes arising from foreign exchange differences are recorded in the Consolidated Statement of Income under the caption "Foreign exchange, restatement and accounting hedges of foreign currencies".

• Financial assets at fair value through other comprehensive income

An investment in a debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding.

Investment instruments classified as financial assets at fair value through other comprehensive income are initially recognized at cost, which includes transaction costs.

These financial instruments are subsequently recorded at fair value based on market prices or valuations obtained using models. Unrealized gains or losses arising from changes in their fair value are recognized with a charge or credit to equity accounts. When these investments are disposed of or impaired, the amount of the accumulated adjustments to fair value are transferred to income and reported under "Impairment due to credit risk of financial assets at fair value through other comprehensive income."

Interest and indexation from financial investments are included in "Interest income," which is detailed in Note 30, and "Indexation income," which is detailed in Note 31 to the Financial Statements.

Investment securities used as accounting hedges are adjusted under hedge accounting rules. All purchases or sales of investment securities that must be delivered within a period of time established by regulations or market conventions are recognized on the trading date, which is the date on which the purchase or sale of the asset is agreed upon. Any other purchase or sale is treated as a derivative (forward) until settlement occurs.

• Financial assets at amortized cost

A financial asset should be measured at amortized cost if it meets the following two conditions:

The financial asset is maintained within a business model whose objective is to hold the financial assets to obtain contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

For presentation purposes, the financial assets included in this item are subdivided as follows in the Statement of Financial Position:

- Investments under resale agreements and securities borrowing.
- Debt financing instruments
- Loans and advances to banks
- Customer loans and receivables – commercial, mortgage and consumer

Impairment losses on assets at amortized cost incurred in each year are recorded in "Allowances for loan losses on loans and advances to banks and customer loans

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and receivables" and "Impairment due to credit risk of other financial assets at amortized cost and financial assets at fair value through other comprehensive income" in the Consolidated Statement of Income.

• Investments under resale/repurchase agreements and securities borrowing/lending

The Bank engages in resale and repurchase agreements for funding purposes. The Bank's investments that are sold with a repurchase obligation and that serve as a guarantee for the loan are included in "Financial assets at amortized cost" or "Financial liabilities at amortized cost" and the obligation is recognized in assets or liabilities under "Investments under repurchase agreements and securities lending."

When financial instruments are purchased with a resale obligation, they are included within assets under "Investment under resale agreements and securities borrowing." Repurchase and resale agreements are valued at amortized cost based on the transaction's rate.

• Debt financing instruments

Debt financing instruments at amortized cost are recognized at their cost plus accrued interest and indexation adjustments, less provisions for impairment recorded when the amount recognized exceeds the estimated recovery value.

Interest and indexation of debt financing instruments at amortized cost are included in "Interest income" and "Indexation income."

• Loans and advances to banks

This includes balances from transactions with domestic and foreign banks, including the Chilean Central Bank (BCCh) and foreign central banks. See Note 13.c) for more details.

• Customer loans and receivables

Customer loans and receivables, both originally granted by the Bank and acquired, are non-derivative financial assets with fixed or defined charges that are not quoted on an active market and that the Bank has no intention of selling immediately or in the short term. They are valued initially at fair value plus incremental transaction costs and subsequently measured at amortized cost using the effective interest method.

Impaired portfolio: The impaired portfolio includes loans for which concrete evidence exists that the borrowers will not meet some of their obligations in the agreed upon payment terms, regardless of the possibility of recovering amounts owed from collateral, through court collections or by negotiating different terms.

Within this context, the Bank will keep these loans in the impaired portfolio until the payment capacity or behavior has returned to normal. However, the Bank may continue to write off any individual loans.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowances for loan losses for loans assessed individually.

An individual debtor assessment is used when the Bank needs to understand and analyze a customer, whether an individual or legal entity, in detail because of its size, complexity or exposure level. It requires a risk rating for each debtor.

For allowance purposes, the Bank categorizes debtors and their loans and contingent loans into the appropriate category after assigning them to either the normal, substandard or default portfolio, which are defined as follows:

Normal and Substandard Portfolio

Portfolio	Debtor Category	Probability of Default (%)	Loss Given Default (%)	Expected Loss (%)
Normal portfolio	A1	0,04	90,00	0,04
	A2	0,10	82,50	0,08
	A3	0,25	87,50	0,22
	A4	2,00	87,50	1,75
	A5	4,75	90,00	4,28
	A6	10,00	90,00	9,00
Substandard portfolio	B1	15,00	92,50	13,88
	B2	22,00	92,50	20,35
	B3	33,00	97,50	32,18
	B4	45,00	97,50	43,88

Nevertheless, the Bank must maintain a minimum allowance for loan losses of 0.50% on loans and contingent loans in the normal portfolio.

Default Portfolio

Portfolio	Risk Scale	Range of Expected Loss	Allowance (%)
Default portfolio	C1	Up to 3%	2
	C2	3% to 20%	10
	C3	20% to 30%	25
	C4	30 % to 50%	40
	C5	50% to 80%	65
	C6	More than 80%	90

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowances for loan losses for loans assessed in a group

Group assessments are used to analyze a large number of transactions with small individual amounts. For these purposes, the Bank uses models based on the characteristics of debtors and their loans, as well as models based on the behavior of a group of loans. In group assessments, allowances for loan losses for the consumer portfolio will always be recognized according to expected loss based on internal models that are used as explained in the following tables:

Installment Loan Model	
Segment	**Allowance Rate**
1	0.04%
2	0.30%
3	0.60%
4	0.80%
5	1.40%
6	2.40%
7	4.80%
8	13.20%

Revolving Credit Facility Model	
Segment	**Allowance Rate**
1	0.09%
2	0.25%
3	0.40%
4	0.84%
5	1.46%
6	3.54%
7	12.34%

Restructured Loan Model	
Segment	**Allowance Rate**
1	2.10%
2	4.40%
3	5.60%
4	11.40%
5	14.60%
6	24.50%

The commercial and mortgage portfolios use incurred loss methodologies, based on the standard method established by the CMF in the CNCB, Chapter B-1, section 3.1.

Additional allowances for loan losses

According to CMF instructions, the Bank may establish additional allowances for loan losses on its individually assessed loan portfolio based on the expected impairment of that portfolio. This allowance is calculated based on the Bank's past experience and potential adverse macroeconomic scenarios or circumstances that may affect a particular sector, industry, debtor group or project.

As of December 31, 2023 and 2022, the Bank recorded additional allowances for loan losses of MCH$25,000 and MCH$21,000, respectively, corresponding to MCH$12,000 for commercial loans, MCH$11,000 for consumer loans and MCH$2,000 for mortgage loans (as of December 31, 2022 MCH$10,500 for commercial loans, MCH$9,500 for consumer loans and MCH$1,000 for mortgage loans).

Loan write-offs

Loans are written off when recovery efforts have been exhausted in accordance with timetables issued by the CMF, as follows:

Type of Loan	Term
Consumer loans with or without collateral	6 months
Other operations without collateral	24 months
Commercial loans with collateral	36 months
Residential mortgage loans	48 months

Collection of written-off loans: Subsequent payments on written-off loans are recorded directly in profit or loss under "collection of written-off loans" in "provisions for credit losses."

As of December 31, 2023 and 2022, collection of written-off loans totaled MCH$11,162 and MCH$14,608, respectively, and are presented in allowances recognized during the year under "provisions for credit losses" as detailed in Note 41 to the financial statements.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are measured at either amortized cost or fair value through profit and loss. Financial liabilities are classified at fair value through profit and loss if they are classified as held for trading, constitute a derivative or are designated as such upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are measured subsequently at amortized cost using the effective interest method. Interest expense and gains and losses from exchange differences are recognized in profit or loss. Any gain or loss upon derecognition is recognized in profit or loss.

See Note 12 for financial liabilities designated as hedging instruments.

Derecognition of financial assets and liabilities

The Bank derecognizes financial assets from its Statement of Financial Position when the contractual rights expire over the cash flows of the financial asset, or when they transfer the rights to receive contractual cash flows from the financial asset in a transaction in which the risks and benefits of ownership of the financial asset are substantially transferred. Each interest in financial assets transferred that is created or retained by the Bank is recognized as a separate asset or liability.

The Bank derecognizes a financial liability (or part thereof) from its consolidated statement of financial position when it has been extinguished, whereby the obligation specified in the corresponding contract has been paid, canceled, or expired.

Offsetting

Financial assets and liabilities will be offset and the net amount reported in the Statement of Financial Position if, and only if, the Bank currently has the legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize an asset and settle the liability simultaneously.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial derivative instruments and hedge accounting

Financial derivative instruments, which include foreign currency and UF forwards, interest rate futures, currency and interest rate swaps and options, and other financial derivative instruments, are recorded initially in the statement of financial position at cost (including transactions costs) and subsequently measured at fair value.

The fair value is obtained from corresponding market pricing, discounted cash flow models and pricing valuation models. Derivative instruments are reported as an asset when their fair value is positive and as a liability when negative, under "financial derivative instruments."

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related with those of the host contract and when such host contracts are not measured at fair value through profit or loss.

At inception, a derivative contract must be designated by the Bank as a derivative instrument for trading or hedging purposes.

Changes in fair value of financial derivative instruments held for trading purposes are included under "trading derivatives" in "net financial operating income", in the consolidated statement of income.

If a derivative instrument is classified as a hedging instrument, it can be: (1) a hedge of the fair value of existing assets or liabilities or firm commitments, or (2) a hedge of cash flows related to existing assets or liabilities or forecasted transactions. A hedge relationship for hedge accounting purposes must comply with all of the following conditions: (a) at its inception, the hedge relationship has been formally documented; (b) it is expected that the hedge will be highly effective; (c) the effectiveness of the hedge can be measured reasonably; and (d) the hedge is highly effective with respect to the hedged risk, continuously throughout the entire hedge relationship.

Certain derivative transactions that do not qualify for hedge accounting are treated and reported as derivatives for trading purposes, even though they provide an effective hedge for managing risk positions.

When a derivative instrument hedges the risk of changes in the fair value of an existing asset or liability, the asset or liability is recorded at its fair value with respect to the specific hedged risk. The mark to market adjustments for both the hedged item and the hedging instrument are recognized in the consolidated statements of income.

If the item hedged in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment regarding the covered risk are recognized as assets or liabilities recognized against the consolidated statements of income for the year. Gains or losses from fair value adjustments of the derivative instrument are recognized in profit or loss for the year. When an asset or liability is acquired as a result of the commitment, the initial recognition of the asset or liability acquired is adjusted to incorporate the accumulated effect of the valuation at fair value of the firm commitment, which was previously recorded in the statement of financial position.

When a derivative hedges the risk of changes in the cash flows of existing assets or liabilities or forecasted transactions, the effective portion of changes in the fair value related to the hedged risk is recorded in equity.

Any ineffective portion is recognized directly in the consolidated statements of income for the year. The accumulated amounts recognized in equity are transferred to profit or loss when the hedged item affects profit or loss.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an interest rate fair value hedge is performed on a portfolio basis and the hedged item is an amount instead of individualized assets or liabilities, gains or losses from fair value adjustments, for both the hedged portfolio and the derivative instrument, are recognized in profit or loss for the year, but the fair value adjustment of the hedged portfolio is reported in "financial derivative instruments", either in assets or liabilities, according to the position of the hedged portfolio at that moment in time.

When a cash flow hedge is used to hedge exposure to changes in cash flows that are attributed to a particular risk related to an asset or liability involved in a transaction that is predicted to be highly likely, the effective portion of changes in the fair value with respect to the hedged risk is recognized in equity, while the ineffective portion is recognized in profit or loss for the year.

2.8 Impairment of financial assets

In accordance with the provisions of Chapter A-2 of the CMF's CNCB, the IFRS 9 asset impairment model will not be applied with respect to loans ("loans and advances to banks" and "customer loans and receivables") in the category "Financial assets at amortized cost," nor on "Contingent loans," since the criteria for these instruments are defined in Chapters B-1 to B-3 of the CNCB. For the rest of the financial assets measured at amortized cost and for financial assets measured at fair value through other comprehensive income, the "expected losses" impairment model defined in IFRS 9 is applied, except for investments in equity instruments; and financial guarantee contracts and loan commitments unilaterally revocable by the entity. Likewise, all financial instruments valued at fair value through profit or loss are excluded from the impairment model.

The impairment estimate reflects the portion of changes in fair value due to expected credit losses and gains in which the change occurs. In general, the expected loss is estimated as the difference between all contractual cash flows and all cash flows expected expected to be received.

The standard classifies financial instruments into three categories, which depend on the evolution of their credit risk from the time of initial recognition. The first category includes transactions when initially recognized (Normal Risk or Stage 1), the second category includes transactions for which a significant increase in credit risk has been identified since their initial recognition (Normal Risk under Special Surveillance or Stage 2) and the third category includes impaired transactions (Doubtful Risk or Stage 3).

Credit risk is calculated differently in each of these three stages. Thus, the 12-month expected loss should be recorded for operations classified in the first of the aforementioned stages, while estimated losses should be recorded for the entire remaining expected life of operations classified in the other two stages. Thus, a distinction is made between the following expected loss concepts:

- 12-month expected loss: the expected credit losses resulting from possible default events within 12 months after the reporting date;
- Full lifetime expected losses: the expected credit losses that result from all possible default events over the expected life of the financial instrument.

All of this requires considerable judgment, both in modeling for estimating expected losses and in forecasting how economic factors affect those losses, which must be done on a probability-weighted basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impaired financial asset

A financial asset is impaired if objective evidence exists that one or more events have had a negative impact on that financial asset's estimated future cash flows. Observable data on the following events constitute evidence that a financial asset is impaired:

- Significant financial difficulties of the issuer or borrower.
- Breach of ceontractual clauses, such as non-payment or a default event,
- Increasing probability that the issuer of the financial asset will file bankruptcy or other financial restructuring,
- Disappearance of an active market for the financial asset in question, due to financial difficulties, or
- The purchase or creation of a financial asset at a significant discount reflecting the credit loss incurred. It may not be possible to identify a single specific event, but rather the combined effect of several events may have caused the financial asset to become credit-impaired. The Bank's definition of an impaired financial asset is aligned with the definition of default described in the preceding paragraphs.

Significant increase in credit risk

The objective of the impairment requirements is to recognize lifetime expected credit losses for financial instruments for which there have been significant increases in credit risk since initial recognition considering all reasonable and documented information and forward-looking information.

The model developed by Banco Security to evaluate the significant increase in credit risk has a two-pronged approach that is applied across the board:

- Quantitative criteria: The Bank uses a quantitative analysis based on the current expected probability of default over the life or maturity of the financial asset using market information available at the measurement date. The thresholds used to consider a significant increase in risk take into account an analysis of the behavior of issuers that have historically presented difficulties in meeting their obligations, considering the particularities of their credit quality and extrapolating it to the possibility of current default based on the market information available at that time.
- Qualitative criteria: Most of the indicators for detecting a significant increase in risk are collected by the Bank through variations in credit quality or macroeconomic scenarios that may impact the issuer of the instrument, so the quantitative analysis includes most of the circumstances. However, the Bank intends to use additional qualitative criteria when deemed necessary to capture circumstances that may not be reflected in the rating systems or macroeconomic scenarios, such as:
  - Non-payment of one or more of its obligations.
  - Refinancings or restructurings that may or may not show evidence of impairment.

However, for high-quality assets, mainly related to certain public institutions or agencies, it can directly consider that their credit risk has not increased significantly because they have a low credit risk at the reporting date.

Therefore, financial instruments subject to impairment are classified as follows:

Stage 1: No significant increase in risk. The allowance for losses on these financial instruments is calculated as the expected credit losses from defaults in the following twelve months.

Stage 2: Significant increase in risk. When the credit risk of a financial asset has increased significantly since initial recognition, the impairment loss on that financial instrument is calculated as the expected credit loss over the life of the asset.

Stage 3: Impaired. When there is objective evidence that the financial asset is impaired, it is transferred to this category in which the impairment loss on that financial instrument is calculated as the expected credit loss over the life of the asset.

Methodology for calculating financial asset impairment

Estimates of expected losses should reflect: a weighted, unbiased amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue effort or cost and reflects both current conditions and predictions of future conditions.

The Bank's objective is to estimate the expected loss at maturity and subsequently, adjusting the time horizon of the measurement depending on the stage in which it is classified (i.e., the Bank calculates its estimate of expected loss over the entire life of the financial asset and if it does not show significant signs of impairment, it will adjust its measurement to the next 12 months).

Estimated losses are derived from the following parameters:

EL: estimate of the expected loss for each period. This estimate incorporates probability of default (PD) and loss given default (LGD).

EAD: estimate of the exposure in the event of default in each future period, taking into account changes in exposure after the reporting date.

The Bank monitors changes in credit risk by tracking published external credit ratings. For this, the Bank takes into account that its investment policy only allows it to acquire instruments with an external "investment grade" risk rating and that the standard allows such rating to be considered low risk. The loss of this credit quality is considered a significant increase in credit risk.

To determine if there is a significant increase in credit risk not reflected in published ratings, the Bank also reviews changes in bond yields, specifically risk spreads and, when available, credit default swap (CDS) prices along with available issuer news and regulatory information.

2.9 Reporting segments

The Bank's reporting segments are components that engage in business activities from which they may earn revenue and incur expenses. Each segment's operating results are reviewed regularly by the Bank's highest decision-making authority for operating decisions, to decide about resource allocation for the segment and evaluate its performance; separate financial reporting is available.

Note 6 to the consolidated financial statements details the Bank's main reporting segments: Commercial Banking, Retail Banking, Treasury, Subsidiaries and Other.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Interest and indexation income and expense

Interest and indexation income and expenses are presented on an accrual basis until year end, using the effective interest method, which is a discount rate that exactly matches the estimated cash flows to be received or paid over the expected life of the transaction.

However, in the case of impaired loans, accrual is suspended as defined by the CMF in Chapter B-2 of the CNCB, which indicates that income on an accrual basis should no longer be recognized in the Statement of Income for loans included in the impaired portfolio and when the loan or one of its installments is 90 days or more overdue for payment.

2.11 Fee and commission income and expenses

Fee and commission income and expenses that are part of the effective interest rate of a financial asset or liability are recognized in profit or loss over the life of the transactions from which they arise.

Fee and commission income and expenses generated by providing a given service are recognized in profit or loss as the services are provided. Those involving financial assets and liabilities are recognized when collected.

2.12 Translation of foreign currency to functional currency

The Bank's functional currency is the Chilean peso. Transactions in foreign currency carried out by the Bank are translated to Chilean pesos at the exchange rate in force on the transaction date.

As of December 31, 2023 and 2022, monetary items in foreign currency are translated using the year-end exchange rates of CH $874.77 and CH $848.50 per US$ 1, respectively. This does not differ significantly from the exchange rates applied by the subsidiaries of CH $ 877.12 as of December 31, 2023 and CH $ 855.86 as of December 31, 2022.

The net foreign exchange gains(losses) of MCH$9,364 and (MCH$2,031) for the years ended December 31, 2023 and 2022, respectively, shown in the consolidated statement of income, include both the result of foreign exchange transactions and the effects of exchange rate variations on the Bank's and its subsidiaries' foreign-currency-denominated assets and liabilities and the fair value of their trading portfolios.

2.13 Conversion

Assets and liabilities expressed in Unidades de Fomento (UF) are presented using the rates in effect as of December 31, 2023 and 2022, of CH $36,789.36 and CH $35,110.98, respectively.

2.14 Impairment of non-financial assets

As of each reporting date, the Bank reviews the carrying amount of its non-financial assets to determine if objective evidence of impairment exists. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is reversed if there has been a change in the estimations used to determine the recoverable amount.

As of each reporting date, the Bank reviews the carrying amounts of its non-financial assets (other than investment property and deferred tax assets) to determine whether there is any indication of impairment. If such indication exists, then the recoverable amount of the asset is calculated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that is largely independent of cash inflows from other assets (Cash Generating Unit or CGU). Goodwill arising from a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater value between its value in use and its fair value less costs of sale. Value in use is based on future estimated cash flows discounted to their present value, using a before-tax discount rate that reflects the current market assessments of the time value of money and the specific risks of that asset or CGU. Impairment is recognized if the carrying amount of an asset or CGU exceeds its recoverable value.

The Group's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and are tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognized in the income statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss related to goodwill is not reversed. For other assets, 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 for the asset.

2.15 Repossessed assets

Repossessed assets are classified within "other assets" at the lesser of their foreclosure cost and their fair value less required regulatory write-offs and are presented net of provisions.

The CMF requires regulatory write-offs if the asset is not sold within a one year of foreclosure.

2.16 Lease agreements

Lease receivables, included in "customer loans and receivables", are periodic payments from lease agreements that meet certain requirements to qualify as finance leases and they are presented at nominal value net of unaccrued interest at year-end.

2.17 Property, plant and equipment

Items of property, plant and equipment are measured at cost minus accumulated depreciation and impairment losses.

Depreciation is recognized in the statement of income on a straight-line basis over the useful life of the respective asset.

For certain real estate properties, the Bank recognized their fair values, based on independent appraisals, as their costs upon first-time adoption of IFRS.

The estimated useful lives of property, plant and equipment are detailed as follows:

Asset	Useful Life (Years)
Buildings	80
Equipment	5
Supplies and accessories	3

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Intangible assets

2.18.a) Software: Expenses for in-house developed software are recognized as an asset when the Bank is able to demonstrate its intent and ability to complete development and use it within the organization to generate future economic benefits and can reliably measure the costs of completing development.

Capitalized costs of in-house developed software include all costs directly attributable to developing the software and they are amortized over their useful lives.

Computer software purchased by the Bank is recorded at cost less accumulated amortization and impairment losses.

Any subsequent expenses in software assets are capitalized only when they increase the future economic benefit for the specific asset. All other expenses are recognized in profit or loss as incurred.

Useful life has been determined based on the period of time over which economic benefits are expected. The amortization period and method are reviewed annually and any change is treated as a change in an estimate.

2.18.b) Goodwill: Goodwill generated upon consolidation represents the difference between the acquisition cost and Banco Security's share of the fair value of identifiable assets and liabilities of a subsidiary or jointly controlled entity as of the acquisition date.

Any goodwill generated is valued at acquisition cost and is tested annually for any impairment that reduces its recoverable amount to below its carrying amount. If appropriate, this difference is recognized in the consolidated statement of income under "administrative expenses", in accordance with IFRS 3.

Goodwill recorded as of December 31, 2023 and 2022, is detailed in Note 15.b) to the Consolidated Financial Statements.

2.19 Allowances for assets at risk

Allowances required to cover risk of loan losses have been recorded in accordance with guidance and specific instructions from the CMF. Effective loans are presented net of such allowances, while contingent loan allowances are presented in liabilities.

The Bank uses models or methods based on individual and group analyses of debtors to establish allowances for loan losses. These models and methods are in accordance with CMF standards and instructions.

2.20 Cash and cash equivalents

Cash and cash equivalents consist of balances of cash, bank deposits, net transactions in the course of collection and operations with repurchase agreements, as stipulated in the CMF's CNCB. These items are subject to insignificant risk of changes in their fair value.

The Bank prepares its cash flow statement using the indirect method. This method begins with profit before tax and incorporates non-monetary transactions, such as income and expenses that gave rise to cash flows, all grouped according to the following concepts:

- **Cash flows,** are inflows and outflows of highly-liquid, short-term investments with insignificant risk, grouped under cash and cash equivalents.

- **Operating activities,** transactions related to the Bank's normal operations and its main source of revenue and expenses.

- **Investing activities,** these cash flows represent disbursements that have been made and will produce income and cash flows over the long term.

- **Financing activities,** these cash flows represent the activities and cash needs to cover the commitments with those who provide funding or capital to the entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Term deposits, debt instruments issued

Deposits used as funding by the Bank, whatever the instrument or term, are valued at amortized cost. Other debt instruments issued are valued as of the placement date, including transaction costs, and subsequently valued at amortized cost using the effective interest method.

2.22 Current and deferred income taxes

As of December 31, 2023 and 2022, current income taxes are calculated based on the tax laws in force as of the reporting date.

Deferred taxes arising from temporary differences and other events that generate differences between the carrying amount for financial reporting purposes and tax bases of assets and liabilities are recognized in accordance with IAS 12. They are calculated using tax rates in force as of the date on which the corresponding deferred tax assets or liabilities are expected to be reversed.

On February 24, 2020, Law 21,210 on Modernizing Tax Legislation took effect. This law defines a single General Tax Regime, as set forth in letter A) of the new article 14 of the Income Tax Law, in effect as of January 1, 2020, with a corporate income tax rate of 27% for income earned as of that date.

2.23 Employee benefits

• Vacation accrual

The annual cost of employee vacation is recorded on an accrual basis.

• Short-term benefits

The Bank has a yearly bonus plan for its employees that may be given based on their performance and ability to meet targets. They are provisioned based on the estimated amount to be distributed.

• Employee termination benefits

The Bank has not agreed to any severance indemnities that will be payable no matter the reason for terminating employment and, as a result, has not made any such provisions. Any such expenses are recognized in profit or loss as incurred.

2.24 Minimum dividends

As of December 31, 2023 and 2022, the Bank recognized a liability (provision) for minimum or mandatory dividends. This provision is based on article 79 of the Corporations Law and is also reflected in the Bank's dividend policy. This policy stipulates that at least 30% of profit for the year shall be distributed unless the shareholders representing all issued shares unanimously agree otherwise.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Earnings per share

The Bank records basic earnings per share of its common shares, which is calculated by dividing the earnings attributable to common shareholders by the weighted average number of outstanding common shares during the respective year.

Diluted earnings per share are calculated by dividing the profit attributable to the Bank by the average weighted number of outstanding shares adjusted for stock options, warrants and convertible debt. Since the Bank does not have this type of option, basic earnings per share is the same as diluted earnings per share.

2.26 Leases

The Bank has recognized a right-of-use asset and a corresponding liability with respect to all these leases, unless they qualify as low-value or short-term leases under IFRS 16.

i. The Bank as lessor

Assets leased to customers under contracts that substantially transfer all the risks and property recognitions, with or without legal title, are classified as finance leases. When the assets retained are subject to a finance lease, the assets leased cease to be accounted for and a receivable is recognized, equal to the minimum amount of the lease payment, after discounting the lease's interest rate. The initial negotiation expenses in a finance lease are incorporated in the receivable through the discount rate applied to the lease. Lease revenue is recognized on lease terms based on a model that constantly reflects a periodic rate of return on the net lease investment. Assets leased to customers under contracts that do not substantially transfer all the rights and benefits of the asset are classified as operating leases.

Investment properties rented under operating leases are included in Other assets in the statement of financial position and depreciation is determined on the book value of these assets, systematically applying a proportion of the value over the economic use during the estimated useful life. Lease revenue is recognized on a straight-line basis over the term of the lease.

ii. The Bank as lessee

At inception or upon modification of an agreement containing a lease component, the Bank allocates the consideration in the lease to each lease component on the basis of their relative independent prices. However, in the case of property leases, the Bank has chosen not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The Bank recognizes a right of use asset and a lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for lease payments made prior to or as of the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and dispose of the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank at the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid as of the commencement date, discounted using the interest implicit rate in the lease, or if that rate cannot be easily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the lease terms and the type of leased asset.

Lease payments included in the measurement of lease liabilities include the following:

- Fixed payments, including in-substance fixed lease payments.
- Variable lease payments, which depend on an index or rate, initially measured using the index or rate at the commencement date.
- Amounts the lessee expects to pay as residual value guarantees; and

The exercise price of a purchase option if the Bank is reasonably certain of exercising that option, lease payments over an optional renewal period if the Bank is reasonably certain of exercising an extension option, and penalty payments arising from early termination of the lease unless the Bank is reasonably certain of not terminating the lease early.

Lease liabilities are measured at amortized cost using the effective interest method. They are remeasured when there is a change in future lease payments resulting from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be paid under a residual value guarantee, if the Bank changes its assessment of whether or not it will exercise a purchase, extension or termination option, or if there is a in-substance fixed lease payment that has been modified.

When the lease liability is remeasured in this manner, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or recorded in income if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and obligations" in the statement of financial position.

iii. Short-term leases and leases for low-value assets:

The Bank has chosen not to recognize right-of-use assets and lease liabilities for low-value assets and short-term leases, including IT equipment. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

iv. Amortization of rights of use

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The depreciation periods for right-of-use assets are as follows:

- **Right of use for office equipment:** 1 – 3 years
- **Right of use for vehicles:** 4 years
- **Right of use for branch office real estate:** 9 – 12 years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Provisions and contingent liabilities

A provision is recognized only if, as a result of a past event, the Bank has a legal or constructive obligation that can be estimated, or an outflow of economic benefits to settle the obligation is likely and the amount of these resources can be reliably measured.

A contingent asset or liability is any right or obligation arisen from past events whose existence will be confirmed only if one or more uncertain future events, not under the Bank's control, occur.

2.28 Business combinations

Banco Security has purchased interests in companies that qualify as a business combination and, therefore, must apply standards for business combinations.

The Bank accounts for business combinations using the acquisition method when the set of activities and assets meets the definition of a business and control is transferred to the Bank. To determine whether a particular set of activities and assets is a business, the Bank assesses whether the set of assets and activities acquired includes, at a minimum, a substantive input and process and whether the acquired set has the capacity to produce outputs.

The Bank has the option to conduct a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired and in accordance with the requirements of the CMF's CNCB, Banco Security has two reports regarding asset value and impairment analysis. Any goodwill arising is tested annually for impairment. Any gain on a bargain purchase is recognized immediately in the statement of income. Transaction costs are expensed as incurred, except when related to issuing debt or equity securities.

The consideration transferred does not include any settlements of agreements. These amounts are generally recognized in income.

Any contingent components of the acquisition price are measured at fair value at the acquisition date. If an obligation pays a contingent consideration that meets the definition of a financial instrument, it is classified as equity, it is not remeasured and the settlement is accounted for within equity. Otherwise, other contingent components of the contingent consideration are remeasured at fair value as of each reporting date and any subsequent changes are recognized in the statement of income.

If share-based payment awards (replacement awards) are to be exchanged for awards held by the acquiree's employees (acquiree awards), then all or a portion of the amount of the acquirer's replacement awards are included in the measurement of the consideration transferred in the business combination. This determination is based on the market-based measurement of replacement awards compared to the market-based measure of the acquiree awards and the extent to which replacement awards relate to pre-combination service.

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

3.1 Regulations from the Financial Market Commission (CMF)

Banking Ruling No. 2,342 - On December 28, 2023, the CMF issued Banking Ruling No. 2,342 indicating that the Information Systems Manual for banks incorporates file C64 in which recoveries, expenses, renegotiations and details of transactions in default will be reported, according to the definitions provided for this purpose in Chapter B-1 of the Compendium of Accounting Standards for Banks.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2.341 - On November 27, 2023, the CMF issued a Banking Ruling that incorporates a new Chapter 1-19 to the Updated Compilation of Rules for banks, establishing the communication of early regularization and the requirements of suitability and technical capacity of the delegated inspector, provisional administrator and liquidator.r.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2,340 - On November 9, 2023, the CMF issued a Banking Ruling incorporating instructions on electronic transfers and operation of clearing houses for low-value payments.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2,337 - On July 7, 2023, the CMF issued Banking Ruling No. 2,337, which updates the information requirements for supervised institutions that grant financing under the Special Guarantee Fund (FOGAES), in order to evaluate the operation of their programs, within the framework of the provisions of Law No. 21,543 and Supreme Decrees No. 82, 83 and 84 of the Ministry of Finance, published in the Official Gazette on March 21, 2023.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2,336 - On June 20, 2023, the CMF issued Banking Ruling No. 2,336, which repeals Chapter 12-21 of the Updated Compilation of Banking Standards, amends Chapters 21-13 and 1-13 of this compilation, the Frequently Asked Questions document associated with file R13, and postpones the requirement of file C40.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2,334 - On May 1, 2023, the CMF issued Banking Ruling No. 2,334, which introduces several adjustments for banks in the Tables section of the MSI, and in the field descriptions of regulatory files in the Accounting, Accounts Receivable, Products and Other Systems sections of the MSI.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2,333 - On May 1, 2023, the CMF issued Banking Ruling No. 2,333, which amends Chapter 18-5 of the Updated Compilation of Rules for Banks and files D10, D27, R04 and R05, indicating that health loans and loans sold or assigned to securitization companies or securitized loan funds are to be reported.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2,331 - On February 7, 2023, the CMF issued a Banking Ruling to incorporate into its information systems any data needed to evaluate the operation of the FOGAPE Chile Apoya program.

The Bank's management has considered the content of this ruling as of December 31, 2023.

Banking Ruling No. 2,330 - On January 13, 2023, the CMF issued Banking Ruling No. 2,330 incorporating the new Chapter 21-14 to the RAN, which contains the provisions related to the development of the Internal Liquidity Adequacy Assessment Process (ILAAP) and the general requirements and conditions considered by the Commission for the assessment of the adequacy of the liquidity position of banks.

The Bank's management has considered the content of this ruling as of December 31, 2023.

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

3.2 International Accounting Standards Board

NEW ACCOUNTING PRONOUNCEMENTS (STANDARDS, INTERPRETATIONS AND AMENDMENTS) WITH MANDATORY APPLICATION FOR ANNUAL PERIODS BEGINNING ON OR AFTER JANUARY 1, 2023

The following table describes the nature and impact of the standards, interpretations and amendments to IFRS that took effect as of the reporting date:

	Standards and Interpretations	Mandatory Effective Date
IFRS 17	Insurance Contracts	January 1, 2023

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new specific accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. Once effective, it will replace IFRS 4 Insurance Contracts that was issued in 2005. The new standard applies to all types of insurance contracts regardless of the type of entity that issue them, as well as certain guarantees and financial instruments with discretionary participation features.

Some exceptions within the scope may apply.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting asymmetries between financial assets and insurance contract liabilities in the comparative information presented on first-time adoption of IFRS 17.

If an entity chooses the classification overlay, it may only do so for the comparative periods when it applies IFRS 17, which is from the transition date to the date of first-time adoption of IFRS 17.

IFRS 17 will be effective for annual periods beginning on or after January 1, 2023, and will require comparative figures. Early application is permitted, provided the entity also applies IFRS 9 on or before the date it first applies IFRS 17.

Management believes that this amendment does not apply to the Bank.

	Amendments	Mandatory Effective Date
IAS 8	Definition of Accounting Estimate	January 1, 2023
IAS 1	Disclosure of Accounting Policies	January 1, 2023
IAS 12	Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023
IAS 12	International Tax Reform – Pillar Two Model Rules	January 1, 2023
IAS 1	Classification of Liabilities as Current and Non-current	January 1, 2024
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 7 and IFRS 7	Disclosure of Supplier Finance Arrangements	January 1, 2024
IAS 21	Lack of Exchangeability	January 1, 2025
IFRS 10 and IAS 28	Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, introducing a new definition for "accounting estimates". The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also explain how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate

specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

The Bank's management has considered the content of this ruling as of December 31, 2023.

IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to help entities apply material judgments to accounting policy disclosure.

The amendments are designed to help entities provide accounting policy disclosures that are more useful by:

Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies

Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosure

Entities should assess the materiality of accounting policy disclosures on the basis of both the size of transactions, and other events or conditions and the nature of those events or conditions.

The amendment will be effective for annual periods beginning on or after January 1, 2023. Early application of the amendments to IAS 1 is permitted provided this is disclosed.

The Bank's management has considered the content of this ruling as of December 31, 2023.

IAS 12 Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 that narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the

financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Likewise, in accordance with the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Only if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal, would the initial recognition exception be applied. Nevertheless, it is possible that those deferred tax assets and deferred tax liabilities are not equal (for example because the entity is unable to benefit from the tax deductions or

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

different tax rates may apply to the taxable and deductible temporary differences). In the above scenarios, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

The Bank's management has considered the content of this ruling as of December 31, 2023.

IAS 12 International Tax Reform – Pillar Two Model Rules

In May 2023, the IASB issued amendments that introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The Amendments require an entity to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.

Likewise, the Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the Amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any period ending on or before December 31, 2023.

The Bank's management has considered the content of this ruling as of December 31, 2023.

IAS 1 Financial Statement Presentation – Classification of Current and Non-Current Liabilities

In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

1 What is meant by a right to defer settlement.

2 That a right to defer must exist at the end of the reporting period.

3 That classification is unaffected by the likelihood that an entity will exercise its deferral right.

4 That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual periods beginning on or after January 1, 2024.

The amendments must be applied prospectively. Early application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments, and vice versa.

Management believes that implementing this amendment has no impact on the Bank.

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

IFRS 16 Lease Liability in a Sale and Leaseback

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

Management believes that implementing this amendment has no impact on the Bank.

IAS 7 and IFRS 7 – Disclosure of Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Information to be disclosed.

The amendments specify the disclosure requirements to enhance current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

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

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, qualitative information on the liabilities related to those arrangements at the beginning at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The amendments require an entity to aggregate information about its supplier finance arrangements. However, the entity must disaggregate information about unusual or unique terms and conditions of individual arrangements when they are dissimilar. In the context of quantitative liquidity risk disclosures in IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments will be effective for annual periods beginning on or after January 1, 2024. Early application is permitted and should be disclosed. The amendments provide some transition reliefs with respect to comparative and quantitative at the beginning of the annual reporting period and disclosures in interim financial reporting.

Management believes that implementing this amendment has no impact on the Bank.

IAS 21 Effect of Exchange Rate Changes – Lack of Exchangeability

The IASB has amended IAS 21 Effect of Exchange Rate Changes to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Under the amendments, a currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows

The amendments will be effective for annual periods beginning on or after January 1, 2025. Early application is permitted and should be disclosed. When applying the amendments, an entity may not restate comparative information.

Banco Security will evaluate the impact of the amendment once it takes effect.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address an inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of the sale or provision of assets between an investor and its associate or joint venture.

The amendments were issued in December 2014, and state that when the transaction involves a business (whether or not in a subsidiary), all the gain or loss is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary.

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

The date of mandatory application of these amendments is to be determined since the IASB is waiting for the results of its research project on accounting using the equity the method. These amendments must be applied retrospectively and early adoption is permitted and must be disclosed.

The Bank's management has considered the content of this ruling as of December 31, 2023.

NOTE 4 – ACCOUNTING CHANGES

There were no accounting changes in the consolidated financial statements as of December 31, 2023, compared to the previous year.

NOTE 5 – MATERIAL EVENTS

Banco Security

As of December 31, 2023, Banco Security has reported the following bond placements in the local market and registered in the Securities Registry of the Financial Market Commission:

Report Date	Securities Registration Number	Series	Code	Amount	Currency	Maturity Date	Average Rate
12/26/2023	03/2023	D7	BSECD71122	80,000	UF	November 01, 2032	3.26%
12/22/2023	03/2023	Z9	BSECZ91222	1,000,000,000	CH$	December 01, 2027	6.31%
12/15/2023	06/2021	C4	BSECC40321	430,000	CH$	March 01, 2027	3.63%
12/14/2023	03/2023	Z9	BSECZ91222	8,000,000,000	CH$	December 01, 2027	6.33%
11/10/2023	06/2021	D6	BSECD60521	200,000	UF	November 01, 2031	3.99%
11/09/2023	06/2021	D6	BSECD60521	320,000	UF	November 01, 2031	3.99%
11/08/2023	06/2021	D6	BSECD60521	90,000	UF	November 01, 2031	3.97%
07/13/2023	03/2023	Z9	BSECZ91222	1,000,000,000	CH$	December 01, 2027	6.30%
07/07/2023	03/2023	Z9	BSECZ91222	8,500,000,000	CH$	December 01, 2027	6.29%
07/03/2023	03/2023	Z9	BSECZ91222	9,800,000,000	CH$	December 01, 2027	6.31%
06/29/2023	03/2023	Z9	BSECZ91222	10,000,000,000	CH$	December 01, 2027	6.35%
06/28/2023	03/2023	Z9	BSECZ91222	11,300,000,000	CH$	December 01, 2027	6.35%
06/05/2023	03/2023	D8	BSECD81222	200,000	UF	December 01, 2033	3.00%
06/02/2023	03/2023	D8	BSECD81222	570,000	UF	December 01, 2033	3.04%
04/28/2023	03/2023	Q5	BSECQ50922	2,000,000	UF	September 01, 2038	3.00%
04/14/2023	06/2021	C3	BSECC30721	45,000	UF	July 01, 2026	3.40%
03/29/2023	06/2021	D6	BSECD60521	1,250,000	UF	November 01, 2031	2.74%
03/22/2023	06/2021	D5	BSECD50421	50,000	UF	April 01, 2028	3.05%
03/22/2023	06/2021	D6	BSECD60521	170,000	UF	November 01, 2031	2.81%
03/21/2023	06/2021	D6	BSECD60521	150,000	UF	November 01, 2031	2.81%
03/16/2023	06/2021	D5	BSECD50421	525,000	UF	April 01, 2028	3.13%
03/10/2023	06/2021	D6	BSECD60521	150,000	UF	November 01, 2031	3.00%
03/08/2023	06/2021	D5	BSECD50421	300,000	UF	April 01, 2028	3.34%
03/01/2023	06/2021	D5	BSECD50421	365,000	UF	April 01, 2028	3.27%
02/02/2023	06/2021	D5	BSECD50421	720,000	UF	April 01, 2028	2.98%
01/19/2023	04/2020	Z7	BSECZ71119	26,000,000,000	CH$	November 01, 2025	6.76%
01/18/2023	04/2020	Z7	BSECZ71119	500,000,000	CH$	November 01, 2025	6.65%
01/17/2023	04/2020	Z7	BSECZ71119	1,000,000,000	CH$	November 01, 2025	6.69%
01/16/2023	04/2020	Z7	BSECZ71119	6,000,000,000	CH$	November 01, 2025	6.71%
01/11/2023	06/2021	C3	BSECC30721	1,000,000	UF	July 01, 2026	3.08%
01/03/2023	04/2020	Z6	BSECZ61219	1,500,000,000	CH$	December 01, 2024	8.05%

NOTE 5 – MATERIAL EVENTS (CONTINUED)

As of December 29, 2023, Banco Security communicates as a material event that it has become aware of Exempt Resolution No. 10100, dated December 21, 2023, issued by the CMF, whereby it has resolved to apply a fine of UF 2,500 for failing to promptly return the insurance premiums paid and not accrued to a group of customers who prepaid loans, due to an operational incident that has already been corrected.

At annual general meeting No. 41 of Banco Security held on April 11, 2023, it was agreed to distribute 55% of profit for the year 2022, corresponding to MCH$142,366.- as a final dividend of CH$330.50 per share.

As of March 28, 2023, Banco Security informs that at the Board meeting held on February 22, 2023, it agreed to call an annual general meeting for April 11, 2023, informing the matters to be discussed. At the aforementioned meeting, the Board also agreed to propose a dividend of CH$330.50 per share at the annual general meeting.

Administradora General de Fondos Security S.A.

As of October 31, 2023, at the extraordinary shareholders' meeting, it was agreed to distribute a special dividend of CH$6,000,000,000, which will be paid as of November 14 of the current year to the shareholders of record in the Shareholders' Registry at midnight of the 5th business day prior to said payment date.

On April 10, 2023, the annual general meeting was held and agreed to distribute a dividend totaling CH$6,000,000,000,000, which will be paid as of April 24 of the current year, to the shareholders registered in the Shareholders' Registry.

At a regular meeting of the Board of Directors of Administradora General de Fondos Security S.A., held on March 15, 2023, it was agreed to call an annual general meeting for April 10, 2023.

Valores Security S.A. Corredores de Bolsa

At a regular meeting of the Board of Valores Security S.A. Corredores de Bolsa held on March 22, 2023 was agreed to call the shareholders to an annual general meeting for April 10, 2023.

NOTE 6 – REPORTING SEGMENTS

The Bank's senior management makes decisions based on the following segments or business areas, defined as follows:

Commercial Banking: Portfolio of customers within the target segment of medium and large companies with sales in excess of CH$1.5 billion. The main products and services offered to this segment include commercial loans in domestic currency, foreign currency, leases, foreign trade, current accounts and asset management services.

Retail Banking: Portfolio of customers within the target segment of high-income individuals (socioeconomic category ABC1). The main products and services offered to this segment are current accounts, lines of credit, consumer and mortgage loans and asset management services, among others.

Treasury: The business of distributing currency and financial products to customers, brokering financial instruments and managing the Bank's own positions, balance sheet, gaps and liquidity. The main products and services offered to customers include currency trading, exchange rate and inflation insurance and other derivative products.

Subsidiaries: The business of managing funds, brokering equities and managing the Bank's own positions. These activities are carried out through the Bank's subsidiaries Administradora General de Fondos Security S.A. and Valores Security S.A. Corredora de Bolsa.

Others: These are non-recurring and other income and expenses that cannot be allocated to any of the above segments.

The following table illustrates assets and liabilities as of December 31, 2023 and 2022, and profit/loss by segment for the years then ended.

Most of the revenue from the Bank's segments comes from interest. Operational decision making, segment performance and decisions regarding allocation of resources are based on net interest income. As a result, segment revenue takes interest margins into consideration.

NOTE 6 – REPORTING SEGMENTS (CONTINUED)

Assets and liabilities by business segment

	Commercial Banking	Retail Banking	Treasury	Other	Total Bank	Subsidiaries	Total Consolidated
	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$
Assets							
Gross loans	5,178,983	2,137,763	–	–	7,316,746	–	7,316,746
Allowances for loan losses	(135,811)	(60,189)	–	–	(196,000)	–	(196,000)
Net loans	5,043,172	2,077,574	–	–	7,120,746	–	7,120,746
Financial transactions	–	–	2,597,683	–	2,597,683	104,474	2,702,157
Other assets	–	–	560,298	201,712	762,010	60,232	822,242
Total assets	**5,043,172**	**2,077,574**	**3,157,981**	**201,713**	**10,480,439**	**164,706**	**10,645,145**
Liabilities							
Liabilities	4,494,840	1,919,992	3,097,186	180,593	9,692,611	68,649	9,761,260
Equity	548,332	157,582	60,794	21,066	787,774	96,057	883,831
Non-controlling interest	–	–	–	54	54	–	54
Total liabilities	**5,043,172**	**2,077,574**	**3,157,980**	**201,713**	**10,480,439**	**164,706**	**10,645,145**

	Commercial Banking	Retail Banking	Treasury	Other	Total Bank	Subsidiaries	Total Consolidated
	December 31 2022 MCH$	December 31 2022 MCH$	December 31 2022 MCH$	December 31 2022 MCH$	December 31 2022 MCH$	December 31 2022 MCH$	December 31 2022 MCH$
Assets							
Gross loans	5,303,776	1,969,104	–	–	7,272,880	–	7,272,880
Allowances for loan losses	(119,528)	(49,574)	–	–	(169,102)	–	(169,102)
Net loans	5,184,248	1,919,530	–	–	7,103,778	–	7,103,778
Financial transactions	–	–	2,044,853	–	2,044,853	92,322	2,137,175
Other assets	–	–	517,849	189,454	707,303	81,965	789,268
Total assets	**5,184,248**	**1,919,530**	**2,562,702**	**189,454**	**9,855,934**	**174,287**	**10,030,221**
Liabilities							
Liabilities	4,703,698	1,787,913	2,489,558	179,350	9,160,519	78,087	9,238,606
Equity	480,550	131,617	73,144	10,053	695,364	96,200	791,564
Non-controlling interest	–	–	–	51	51	–	51
Total liabilities	**5,184,248**	**1,919,530**	**2,562,702**	**189,454**	**9,855,934**	**174,287**	**10,030,221**

NOTE 6 – REPORTING SEGMENTS (CONTINUED)

Results by Reporting Segment

	Commercial Banking	Retail Banking	Treasury	Other	Total Bank	Subsidiaries	Total Consolidated
	December 31, 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$
Operating income							
Net interest margin (1)	192,643	97,759	125,880	–	416,282	1,391	417,673
Net commissions	20,943	15,963	(319)	–	36,587	31,845	68,432
Net FX transactions and other income (2)	12,056	1,263	(970)	(13,051)	(702)	11,094	10,392
Loan losses and repossessed assets (3)	(52,472)	(27,068)	630	–	(78,910)	–	(78,910)
Total operating income, net of provisions for credit losses	173,170	87,917	125,221	(13,051)	373,257	44,330	417,587
Operating expenses (4)	(63,028)	(71,460)	(20,206)	(12,870)	(167,564)	(33,055)	(200,619)
Net operating income (loss)	**110,142**	**16,457**	**105,015**	**(25,921)**	**205,693**	**11,275**	**216,968**
Income attributable to investments in other companies	–	–	–	–	–	–	–
Profit (loss) before tax	110,142	16,457	105,015	(25,921)	205,693	11,275	216,968
Income tax benefit (expense)	**(21,100)**	**(3,153)**	**(20,118)**	**4,964**	**(39,407)**	**(888)**	**(40,295)**
Consolidated profit (loss) for the year	89,042	13,304	84,897	(20,957)	166,286	10,387	176,673
Non-controlling interest	–	–	–	–	–	3	3
Profit (loss) attributable to owners of the Bank	**89,042**	**13,304**	**84,897**	**(20,957)**	**166,286**	**10,387**	**176,673**

	Commercial Banking	Retail Banking	Treasury	Other	Total Bank	Subsidiaries	Total Consolidated
	December 31, 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$	December 31 2023 MCH$
Net operating income							
Net interest margin (1)	162,020	75,571	103,986	–	341,577	4,665	346,242
Net commissions	22,174	15,629	(260)	–	37,543	32,783	70,326
Net FX transactions and other income (2)	5,596	1,506	(6,499)	(13,130)	(12,527)	9,482	(3,045)
Loan losses and repossessed assets (3)	(45,832)	(27,609)	(4,686)	–	(78,127)	–	(78,127)
Total operating income, net of provisions for credit losses	143,958	65,097	92,541	(13,130)	288,466	46,930	335,396
Operating expenses (4)	(54,260)	(62,479)	(17,257)	(9,932)	(143,928)	(31,869)	(175,797)
Net operating income (loss)	89,698	2,618	75,284	(23,062)	144,538	15,061	159,599
Income attributable to investments in other companies	–	–	–	–	–	–	–
Profit (loss) before tax	89,698	2,618	75,284	(23,062)	144,538	15,061	159,599
Income tax benefit (expense)	(9,478)	(286)	(10,266)	2,849	(17,181)	(47)	(17,228)
Consolidated profit (loss) for the year	80,220	2,332	65,018	(20,213)	127,357	15,014	142,371
Non-controlling interest	–	–	–	–	–	(5)	(5)
Profit (loss) attributable to owners of the Bank	80,220	2,332	65,018	(20,213)	127,357	15,009	142,366

(1) Corresponds to net interest and indexation income.
(2) Includes net financial operating income, net foreign exchange transactions, other income and expenses and other contingency provisions.
(3) Includes provisions for credit losses, net income from repossessed assets, impairment of investment securities and intangible assets and net country risk, special and additional allowances for loan losses.
(4) Corresponds to payroll and personnel expenses, administrative expenses, depreciation and amortization.

NOTE 7 – CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Cash and due from banks		
Cash	18,161	17,874
Deposits in the Chilean Central Bank	248,666	278,068
Deposits in foreign central banks	-	-
Deposits in domestic banks	11,837	35,344
Deposits in foreign banks	143,609	110,769
Subtotal - cash and due from banks	422,273	442,055
Transactions in the course of collection, net	15,075	25,091
Highly liquid financial instruments		
Other cash equivalents	-	-
Total cash and cash equivalents	**437,348**	**467,146**

Funds in cash and deposits in the Chilean Central Bank are in response to monthly average matching regulations that the Bank must meet.

Transactions in the course of collection or payment consist of transactions awaiting settlement to increase or decrease funds in the Chilean Central Bank or foreign banks, normally within 12 to 24 business hours, and are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Assets		
Outstanding notes from other banks	10,890	25,177
Transfer of current funds receivable	81,877	23,625
Subtotal - assets	92,767	48,802
Liabilities		
Transfer of funds in process to be delivered	77,692	23,711
Subtotal – liabilities	77,692	23,711
Transactions in the course of collection, net	15,075	25,091

The instruments that guarantee the obligation for these repurchase agreements are included in the portfolio of financial instruments held for trading or investments available for sale.

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

As of December 31, 2023 and 2022, the Bank and its subsidiaries have the following balances in the following accounts:

8.a) Financial derivative instruments

December 2023

	Notional Amount of Contract Maturing in						Fair Value of Assets MCH$
	Under One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	
Currency forwards	649,289	426,423	335,910	98,706	4,857	–	54,673
Interest rate swaps	87	258,819	189,049	530,182	309,670	412,256	41,765
Currency swaps	5	1,502	71,504	292,906	121,723	322,057	60,113
Interest rate call options	–	–	–	–	–	–	–
Interest rate put options	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Total assets for financial derivatives	**649,381**	**686,744**	**596,463**	**921,794**	**436,250**	**734,313**	**156,551**

December 2022

	Notional Amount of Contract Maturing in						Fair Value of Assets MCH$
	Under One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	
Currency forwards	5,101	34,272	155,513	74,668	9,334	–	103,095
Interest rate swaps	25,455	36,328	640,021	585,290	350,053	515,575	66,881
Currency swaps	8,485	8,532	129,748	191,130	175,056	299,165	61,123
Interest rate call options	–	–	–	–	–	–	–
Interest rate put options	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Total assets for financial derivatives	**39,041**	**79,132**	**925,282**	**851,088**	**534,443**	**814,740**	**231,099**

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

8.b) Debt financing instruments

December 2023

	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Chilean Government and Central Bank instruments							
Financial debt instruments of the Chilean Central Bank	–	2,468	–	–	–	–	2,468
Chilean Treasury bonds and promissory notes	–	–	–	–	–	–	–
Other government debt financing instruments	–	–	–	–	–	–	–
Subtotal	**–**	**2,468**	**–**	**–**	**–**	**–**	**2,468**
Other debt financing instruments issued in Chile							
Debt financing instruments issued by other domestic banks	191	1,260	2,977	8,646	23,292	952	37,318
Bonds and bills of exchange of domestic companies	–	–	3,693	5,362	–	7	9,062
Other instruments issued in Chile	–	–	6,469	–	–	–	6,469
Subtotal	**191**	**1,260**	**13,139**	**14,008**	**23,292**	**959**	**52,849**
Other debt financing instruments issued abroad							
Foreign central banks	–	–	–	–	–	–	–
Foreign governments and foreign tax entities	–	–	–	–	–	–	–
Other foreign banks	–	–	–	–	–	–	–
Corporate bonds and commercial paper issued abroad	–	–	–	–	–	–	–
Other foreign instruments	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Total debt financing instruments	**191**	**3,728**	**13,139**	**14,008**	**23,292**	**959**	**55,317**

December 2022

	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Chilean Government and Central Bank instruments							
Financial debt instruments of the Chilean Central Bank	5,999	–	–	–	–	–	5,999
Chilean Treasury bonds and promissory notes	–	–	–	–	–	–	–
Other government debt financing instruments	–	–	–	–	–	–	–
Subtotal	5,999	–	–	–	–	–	5,999
Other debt financing instruments issued in Chile							
Debt financing instruments issued by other domestic banks	36	145	1,656	24,232	1,139	1,122	28,330
Bonds and bills of exchange of domestic companies	–	–	397	9,431	–	6	9,834
Other instruments issued in the country	–	–	4,469	–	–	–	4,469
Subtotal	36	145	6,522	33,663	1,139	1,128	42,633
Other debt financing instruments issued abroad							
Foreign central banks	–	–	–	–	–	–	–
Foreign governments and foreign tax entities	–	–	–	–	–	–	–
Other foreign banks	–	–	–	–	–	–	–
Corporate bonds and commercial paper issued abroad	–	–	–	–	–	–	–
Other foreign instruments	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Total debt financing instruments	**6,035**	**145**	**6,522**	**33,663**	**1,139**	**1,128**	**48,632**

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

8.c) Debt financing instruments

December 2023

	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Investments in mutual funds							
Managed by related parties	–	7,946	–	–	–	–	7,946
Managed by third parties	–	–	–	–	–	–	–
Subtotal	–	7,946	–	–	–	–	7,946
Equity instruments							
Equity instruments issued in Chile	–	–	–	–	–	–	–
Equity instruments issued abroad	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Loans originated and acquired by the entity							
Loans and advances to banks	–	–	–	–	–	–	–
Commercial loans	–	–	–	–	–	–	–
Mortgage loans	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Other							
Subtotal	–	–	–	–	–	–	–
Total other financial instruments	**-**	**7,946**	**-**	**-**	**-**	**-**	**7,946**

December 2022

	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Investments in mutual funds							
Managed by related parties	–	3,934	–	–	–	–	3,934
Managed by third parties	–	–	–	–	–	–	–
Subtotal	–	3,934	–	–	–	–	3,934
Equity instruments							
Equity instruments issued in Chile	–	–	–	–	–	–	–
Equity instruments issued abroad	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Loans originated and acquired by the entity							
Loans and advances to banks	–	–	–	–	–	–	–
Commercial loans	–	–	–	–	–	–	–
Mortgage loans	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Other							**–**
Subtotal	–	–	–	–	–	–	–
Total other financial instruments	**-**	**3,934**	**-**	**-**	**-**	**-**	**3,934**

NOTE 9 – FINANCIAL ASSETS NOT FOR TRADING THAT MUST BE MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

As of December 31, 2023 and 2022, the Bank and its subsidiaries have no such balances.

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

As of December 31, 2023 and 2022, the Bank and its subsidiaries have no such balances.

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

As of December 31, 2023 and 2022, the Bank and its subsidiaries have the following balances in the following accounts:

11.a) Debt financing instruments

December 2023	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Chilean Government and Central Bank instruments							
Chilean Central Bank instruments	657,849	384,364	133,547	–	–	–	1,175,760
Chilean Treasury instruments	149	–	27,293	4,990	–	–	32,432
Other tax debt financing instruments	–	–	–	–	–	–	–
Subtotal	657,998	384,364	160,840	4,990	–	–	1,208,192
Other debt financing instruments issued in Chile							
Debt financing instruments issued by other domestic banks	665	72,321	127,487	23,418	19,986	32,903	276,780
Corporate bonds and commercial paper issued in Chile	1,634	5,598	30,164	89,566	14,943	17,639	159,544
Other instruments issued in Chile	–	–	–	–	–	–	–
Subtotal	2,299	77,919	157,651	112,984	34,929	50,542	436,324
Other debt financing instruments issued abroad							
Foreign central banks	–	–	–	–	–	–	–
Foreign governments and foreign tax entities	–	–	–	–	–	–	–
Other foreign banks	–	–	–	2,084	4,338	96,180	102,602
Corporate bonds and commercial paper issued abroad	–	–	–	14,387	21,293	4,760	40,440
Other financial debt instruments issued abroad	–	–	–	–	–	–	–
Subtotal	–	–	–	16,471	25,631	100,940	143,042
Total debt financing instruments	**660,297**	**462,283**	**318,491**	**134,445**	**60,560**	**151,482**	**1,787,558**

December 2022	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Chilean Government and Central Bank instruments							
Chilean Central Bank instruments	457,344	196,452	411,203	–	–	–	1,064,999
Chilean Treasury instruments	–	67,269	52,536	103,439	–	–	223,244
Other tax debt financing instruments	–	–	–	–	–	–	–
Subtotal	457,344	263,721	463,739	103,439	–	–	1,288,243
Other debt financing instruments issued in Chile							
Debt financing instruments issued by other domestic banks	22,918	16,312	41,329	99,610	7,044	18,118	205,331
Corporate bonds and commercial paper issued in Chile	–	–	28,934	121,287	37,215	13,170	200,606
Other instruments issued in Chile	–	–	–	–	–	–	–
Subtotal	22,918	16,312	70,263	220,897	44,259	31,288	405,937
Other debt financing instruments issued abroad							
Foreign central banks	–	–	–	–	–	–	–
Foreign governments and foreign tax entities	–	–	–	–	–	–	–
Other foreign banks	–	–	–	11,868	24,592	57,350	93,810
Corporate bonds and commercial paper issued abroad	–	–	–	–	–	–	–
Other debt financing instruments issued abroad	–	–	–	2,062	–	16,475	18,537
Subtotal	–	–	–	13,930	24,592	73,825	112,347
Total debt financing instruments	**480,262**	**280,033**	**534,002**	**338,266**	**68,851**	**105,113**	**1,806,527**

NOTE 11 – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

11.b) Other financial instruments

As of December 31, 2023 and 2022, the Bank and its subsidiaries have the following balances in the following accounts:

December 2023	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Loans originated and acquired by the entity							
Loans and advances to banks	–	–	–	–	–	–	–
Commercial loans	–	–	–	–	–	–	–
Mortgage loans	–	–	–	–	–	–	–
Consumer loans	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Other	**–**	**–**	**–**	**–**	**–**	**4,950**	**4,950**
Subtotal	–	–	–	–	–	4,950	4,950
Total other financial instruments	**-**	**-**	**-**	**-**	**-**	**4,950**	**4,950**

December 2022	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Loans originated and acquired by the entity							
Loans and advances to banks	–	–	–	–	–	–	–
Commercial loans	–	–	–	–	–	–	–
Mortgage loans	–	–	–	–	–	–	–
Consumer loans	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Other	**–**	**–**	**–**	**–**	**–**	**3,562**	**3,562**
Subtotal	–	–	–	–	–	3,562	3,562
Total other financial instruments	**-**	**-**	**-**	**-**	**-**	**3,562**	**3,562**

NOTE 12 – FINANCIAL DERIVATIVE INSTRUMENTS FOR HEDGING

a) As of December 31, 2023 and 2022, the Bank has the following portfolio of fair value and cash flow hedging derivatives:

December 2023	Hedge Cash Flow (CF) or Fair Value (FV)	Notional Amount of Contract Maturing in						Fair Value of Assets	Fair Value of Liabilities
		Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$		
Currency forwards		–	–	–	–	–	–	–	–
Interest rate swaps	FV	–	–	16,000	8,310	8,748	–	1,046	–
Currency swaps	CF	128,705	191,219	356,696	189,164	97,448	–	33,068	(1,984)
Currency swaps	FV	–	–	–	64,352	49,643	72,442	–	(21,651)
Interest rate call options		–	–	–	–	–	–	–	–
Interest rate put options		–	–	–	–	–	–	–	–
Futures		–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–
Total financial derivatives		**128,705**	**191,219**	**372,696**	**261,826**	**155,839**	**72,442**	**34,114**	**(23,635)**

December 2022	Hedge Cash Flow (CF) or Fair Value (FV)	Notional Amount of Contract Maturing in						Fair Value of Assets	Fair Value of Liabilities
		Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$		
Currency forwards		–	–	–	–	–	–	–	–
Interest rate swaps	FV	–	–	62,219	24,061	–	17,394	3,705	–
Currency swaps	CF	105,299	335,218	322,917	143,909	42,120	–	42,961	(14,142)
Currency swaps	FV	–	–	–	43,875	42,120	74,411	177	(7,309)
Interest rate call options		–	–	–	–	–	–	–	–
Interest rate put options		–	–	–	–	–	–	–	–
Futures		–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–
Total financial derivatives		**105,299**	**335,218**	**385,136**	**211,845**	**84,240**	**91,805**	**46,843**	**(21,451)**

NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGING (CONTINUED)

b) Fair value hedges:

The Bank uses cross-currency and interest-rate swaps to cover its exposure to changes in the fair value attributable to interest rates in mortgage loans (under macro coverage), term deposits in Chilean pesos and commercial loans in UF and USD in hedges. The hedge instruments mentioned modify the effective cost of long-term assets, from a fixed interest rate to a variable interest rate, reducing the term and modifying the sensitivity to the shortest sections of the curve.

The outstanding items and instruments hedged at fair value as of December 31, 2023 and 2022, are detailed as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Hedged item		
Commercial loans	203,496	214,710
TP	-	33,370
Bonds	16,000	16,000
Hedge instrument		
Cross-currency swaps	186,437	160,406
Interest rate swaps	33,058	103,674

NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR ACCOUNTING HEDGES (CONTINUED)

c) Cash flow hedges:

The Bank uses cross currency swaps to hedge the risk of changes in foreign currency for U.S. dollar denominated loans. The cash flows of the cross-currency swaps contracted are similar to the flows of the items hedged, and modify uncertain flows by known flows at a fixed interest rate in Chilean pesos.

These cross-currency swap contracts are also used to hedge the risk of changes in the Unidad de Fomento (UF) on flows from UF-denominated mortgage bonds and bonds issued by the Bank up to a nominal amount equivalent to the notional portion in UF of the hedge instrument, whose indexation impacts interest and indexation income in the income statement on a daily basis.

The cash flows of UF-denominated commercial loans and mortgage bonds covered by this hedge and the cash flows of the liability part of the derivative instrument are detailed as follows.

December 2023	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Hedged Item							
Mortgage bonds UF	3,734	8,631	14,239	983	-	-	27,587
Commercial loans USD	-	-	-	-	-	-	-
Hedging instruments							
Cash outflows:							
Cross-currency swap UF	(3,734)	(8,631)	(14,239)	(983)	-	-	(27,587)
Cross-currency swap USD	-	-	-	-	-	-	-
Net cash flows	**-**	**-**	**-**	**-**	**-**	**-**	**-**

December 2022	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Hedged Item							
Mortgage bonds UF	997	4,370	4,770	5,550	-	-	15,687
Commercial loans USD	-	1,009	-	-	-	-	1,009
Hedging instruments							
Cash outflows:							
Cross-currency swap UF	(997)	(4,370)	(4,770)	(5,550)	-	-	(15,687)
Cross-currency swap USD	-	(1,009)	-	-	-	-	(1,009)
Net cash flows	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 12 – FINANCIAL DERIVATIVE CONTRACTS FOR HEDGING (CONTINUED)

December 2023	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Hedged Item							
Bonds issued by Bank UF	–	(1,269)	(2,234)	(109,303)	(99892)	–	(212,698)
Hedging instruments							
Cash outflows:							
Cross-currency swap UF	–	1,269	2,234	109,303	99,892	–	212,698
Net cash flows	**–**	**–**	**–**	**–**	**–**	**–**	**–**

December 2022	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Hedged Item							
Bonds issued by Bank UF	–	(307)	(61,126)	(58,515)	(42,677)	–	(162,625)
Hedging instruments							
Cash outflows:							
Cross-currency swap UF	–	307	61,126	58,515	42,677	–	162,625
Net cash flows	**–**	**–**	**–**	**–**	**–**	**–**	**–**

UF assets hedged are revalued monthly as the UF changes, which is the equivalent of reinvesting the assets monthly until the hedge matures.

The balance for this concept for the year ended December 31, 2023, corresponds to a charge to equity of MCH$1,774, while in 2022 the equity charge for cash flow hedges amounted to MCH$3,200.

As of December 31, 2023 and 2022, there is no ineffectiveness in the cash-flow hedges as both the element hedged and the object of the hedge mirror each other, which implies that all changes in value attributable to rate and indexation components are completely offset.

As of December 31, 2023, four advances of cash flow hedges on own issues are being accrued, three maturing in March 2025 and one in June 2024, and an equity gain of MCH$174 has yet to be accrued in income.

As of December 31, 2023 and 2022, the Bank does not have any hedges of net investments in foreign operations.

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST

a) Rights with promise of sale

The Bank purchases financial instruments under agreements to sell them at a future date. As of December 31, 2023 and 2022, rights with resell commitments, classified by type of debtor and maturity, are as follows:

December 2023	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Transactions with domestic banks							
Repurchase agreements with other banks	–	–	–	–	–	–	–
Repurchase agreements with the Chilean Central Bank	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with foreign banks							
Repurchase agreements with other banks	–	–	–	–	–	–	–
Repurchase agreements with foreign central banks	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with other domestic entities							
Repurchase agreements	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with other foreign entities							
Repurchase agreements	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

December 2022	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Transactions with domestic banks							
Repurchase agreements with other banks	–	–	–	–	–	–	–
Repurchase agreements with the Chilean Central Bank	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with foreign banks							
Repurchase agreements with other banks	–	–	–	–	–	–	–
Repurchase agreements with foreign central banks	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with other domestic entities							
Repurchase agreements	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with other foreign entities							
Repurchase agreements	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

b) Debt financing instruments

As of December 31, 2023 and December 31, 2022, the balances of this item are as follows.

December 2023	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Chilean Government and Central Bank instruments							
Financial debt instruments of the Chilean Central Bank	-	-	655,363	-	-	-	655,363
Chilean Treasury bonds and promissory notes	-	-	-	-	-	-	-
Other government debt financing instruments	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**655,363**	**-**	**-**	**-**	**655,363**
Other government debt financing instruments issued in Chile							
Debt financing instruments of other banks in Chile	-	-	-	25,789	-	-	25,789
Corporate bonds and commercial paper issued in Chile	-	-	-	-	-	-	-
Other debt financing instruments issued in Chile	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**25,789**	**-**	**-**	**25,789**
Other debt financing instruments issued abroad							
Other debt financing instruments from foreign central banks	-	-	-	-	-	-	-
Debt financing instruments of foreign governments and foreign tax entities	-	-	-	-	-	-	-
Debt financing instruments from other foreign banks	-	-	-	-	-	-	-
Corporate bonds and commercial paper issued abroad	-	-	-	-	-	-	-
Other debt financing instruments issued abroad	-	-	-	8,945	-	-	8,945
Subtotal	**-**	**-**	**-**	**8,945**	**-**	**-**	**8,945**
Accumulated impairment of financial assets at amortized cost - Debt financing instruments							
Financial assets without a significant increase in credit risk since initial recognition (phase 1)	-	-	-	(262)	-	-	(262)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2)	-	-	-	-	-	-	-
Credit-impaired financial assets (phase 3)	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**(262)**	**-**	**-**	**(262)**
Total debt financing instruments	**-**	**-**	**655,363**	**34,472**	**-**	**-**	**689,835**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

December 2022	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$	Total MCH$
Chilean Government and Central Bank instruments							
Financial debt instruments of the Chilean Central Bank	–	–	–	–	–	–	–
Chilean Treasury bonds and promissory notes	–	–	–	–	–	–	–
Other government debt financing instruments	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other debt financing instruments issued in Chile							
Debt financing instruments of other banks in Chile	–	–	–	34,688	–	–	34,688
Corporate bonds and commercial paper issued in Chile	–	–	–	–	–	–	–
Other debt financing instruments issued in Chile	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**34,688**	**–**	**–**	**34,688**
Other debt financing instruments issued abroad							
Other debt financing instruments from foreign central banks	–	–	–	–	–	–	–
Debt financing instruments of foreign governments and foreign tax entities	–	–	–	–	–	–	–
Debt financing instruments from other foreign banks	–	–	–	–	–	–	–
Corporate bonds and commercial paper issued abroad	–	–	–	–	–	–	–
Other debt financing instruments issued abroad	–	–	–	8,769	–	–	8,769
Subtotal	**–**	**–**	**–**	**8,769**	**–**	**–**	**8,769**
Accumulated impairment of financial assets at amortized cost – Debt financing instruments							
Financial assets without a significant increase in credit risk since initial recognition (phase 1)	–	–	–	(34)	–	–	(34)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2)	–	–	–	–	–	–	–
Credit-impaired financial assets (phase 3)	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**(34)**	**–**	**–**	**(34)**
Total debt financing instruments	**-**	**-**	**-**	**43,423**	**-**	**-**	**43,423**

As of December 31, 2023, the debt instrument portfolio includes instruments that guarantee loans obtained through the use of the Credit Facility Conditional on Increased Lending (FCIC), granted by the Chilean Central Bank in response to the financial tensions generated by COVID-19, in the amount of MCH$653,600 (net of interest).

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

c) Loans and advances to banks

Credit risk for loans and advances to banks as of December 31, 2023 and 2022, is assessed individually. This account is detailed as follows:

LOANS AND ADVANCES TO BANKS	Financial Assets Before Allowances				Allowances Recognized				Net Financial Asset
As of December 31	Normal Portfolio	Substandard Portfolio	Default Portfolio	Total	Normal Portfolio	Substandard Portfolio	Default Portfolio	Total	
2023 (in MCH$)	Assessment	Assessment	Assessment		Assessment	Assessment	Assessment		
	Individual	Individual	Individual		Individual	Individual	Individual		
Domestic banks									
Interbank liquidity loans	–	–	–	–	–	–	–	–	–
Interbank commercial loans	–	–	–	–	–	–	–	–	–
Current account overdrafts	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean exports	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean imports	–	–	–	–	–	–	–	–	–
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–
Non-transferable deposits in Chilean banks	–	–	–	–	–	–	–	–	–
Other credit balances with domestic banks	–	–	–	–	–	–	–	–	–
Foreign banks									
Interbank liquidity loans	–	–	–	–	–	–	–	–	–
Interbank commercial loans	141	–	–	141	–	–	–	–	141
Current account overdrafts	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean exports	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean imports	–	–	–	–	–	–	–	–	–
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–
Deposits in current accounts in foreign banks for derivative transactions	–	–	–	–	–	–	–	–	–
Other non-transferable deposits in foreign banks –	–	–	–	–	–	–	–	–	–
Other credit balances with foreign banks	–	–	–	–	–	–	–	–	–
Subtotal domestic and foreign banks	**141**	**–**	**–**	**141**	**–**	**–**	**–**	**–**	**141**
Chilean Central Bank									
Deposits in BCCH current account for derivative transactions with COMDER	–	–	–	–	–	–	–	–	–
Other restricted deposits in the Chilean Central Bank	–	–	–	–	–	–	–	–	–
Other credit balances with the Chilean Central Bank	–	–	–	–	–	–	–	–	–
Foreign central banks									
Deposits in current accounts in foreign central banks for derivative transactions	–	–	–	–	–	–	–	–	–
Other restricted deposits	–	–	–	–	–	–	–	–	–
Other credit balances	–	–	–	–	–	–	–	–	–
Subtotal Chilean Central Bank and foreign central banks	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL	**141**	**-**	**-**	**141**	**-**	**-**	**-**	**-**	**141**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

LOANS AND ADVANCES TO BANKS As of December 31 2022 (in MCH$)	Financial Assets Before Allowances				Allowances Recognized				Net Financial Asset
	Normal Portfolio	Substandard Portfolio	Default Portfolio	Total	Normal Portfolio	Substandard Portfolio	Default Portfolio	Total	
	Assessment	Assessment	Assessment		Assessment	Assessment	Assessment		
	Individual	Individual	Individual		Individual	Individual	Individual		
Domestic banks									
Interbank liquidity loans	–	–	–	–	–	–	–	–	–
Interbank commercial loans	–	–	–	–	–	–	–	–	–
Current account overdrafts	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean exports	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean imports	–	–	–	–	–	–	–	–	–
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–
Non-transferable deposits in Chilean banks	–	–	–	–	–	–	–	–	–
Other credit balances with domestic banks	–	–	–	–	–	–	–	–	–
Foreign banks									
Interbank liquidity loans	–	–	–	–	–	–	–	–	–
Interbank commercial loans	–	–	–	–	–	–	–	–	–
Current account overdrafts	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean exports	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean imports	–	–	–	–	–	–	–	–	–
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–
Deposits in current accounts in foreign banks for derivative transactions	–	–	–	–	–	–	–	–	–
Other non-transferable deposits in foreign banks –	–	–	–	–	–	–	–	–	–
Other credit balances with foreign banks	–	–	–	–	–	–	–	–	–
Subtotal domestic and foreign banks	–	–	–	–	–	–	–	–	–
Chilean Central Bank									
Deposits in BCCH current account for derivative transactions with COMDER	–	–	–	–	–	–	–	–	–
Other restricted deposits in the Chilean Central Bank	–	–	–	–	–	–	–	–	–
Other credit balances with the Chilean Central Bank	–	–	–	–	–	–	–	–	–
Foreign central banks									
Deposits in current accounts in foreign central banks for derivative transactions	–	–	–	–	–	–	–	–	–
Other restricted deposits	–	–	–	–	–	–	–	–	–
Other credit balances	–	–	–	–	–	–	–	–	–
Subtotal Chilean Central Bank and foreign central banks	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

d) Customer loans and receivables – commercial

Balances of customer loans and receivables as of December 31, 2023 and 2022, are detailed as follows:

CUSTOMER LOANS AND RECEIVABLES As of December 31, 2023 (in MCH$)	Financial Assets Before Allowances					
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total
	Assessment		Assessment	Assessment		
	Individual	Group	Individual	Individual	Group	
Commercial loans						
Commercial loans	3,390,757	406,540	853,438	321,856	35,399	5,007,990
Foreign trade loans - Chilean exports	112,155	132	3,558	1,184	60	117,089
Foreign trade loans - Chilean imports	75,786	1,364	2,471	810	33	80,464
Foreign trade loans between third party countries	-	-	-	-	-	-
Current account overdrafts	13,193	7,386	3,406	1,376	1,148	26,509
Credit card debtors	2,799	2,128	379	88	178	5,572
Factored receivables	-	-	-	-	-	-
Commercial financial lease transactions	347,695	18,111	66,207	36,744	384	469,141
Student loans	-	1,365	-	-	109	1,474
Other loans and receivables	479	11	631	1,028	99	2,248
Subtotal	**3,942,864**	**437,037**	**930,090**	**363,086**	**37,410**	**5,710,487**
Mortgage loans						
Loans with mortgage bonds	-	323	-	-	-	323
Mutual loans with endorsable mortgages	-	251,811	-	-	7,098	258,909
Mutual loans financed with mortgage bonds	-	-	-	-	-	-
Other mutual mortgage loans	-	860,728	-	-	7,878	868,606
Financial leasing transactions for mortgages	-	1,429	-	-	-	1,429
Other loans and receivables	-	-	-	-	-	-
Subtotal	**-**	**1,114,291**	**-**	**-**	**14,976**	**1,129,267**
Consumer loans						
Consumer loans in installments	-	281,940	-	-	17,446	299,386
Current account overdrafts	-	61,777	-	-	2,533	64,310
Credit card debtors	-	112,091	-	-	1,986	114,077
Consumer financial leasing transactions	-	-	-	-	-	-
Other loans and receivables	-	-	-	-	-	-
Subtotal	**-**	**455,808**	**-**	**-**	**21,965**	**477,773**
Total	**3,942,864**	**2,007,136**	**930,090**	**363,086**	**74,351**	**7,317,527**
Accounting hedges:						
Commercial loans						
Subtotal						
Total customer loans and receivables						

As of December 31, 2023, the loan portfolio does not include loans that guarantee loans obtained through the use of the Credit Facility Conditional on Increased (FCIC), granted by the Chilean Central Bank in response to the financial tensions generated by COVID-19. As of December 31, 2022, these loans amount to MCH$538,200.

Allowances Recognized								
Normal Portfolio		Substandard Portfolio	Default Portfolio		Subtotal	FOGAPE COVID-19 Guarantee Deductible	Total	Net Financial Asset
Assessment		Assessment	Assessment					
Individual	Group	Individual	Individual	Group				
26,766	3,954	18,538	88,065	10,680	148,003	352	148,355	4,859,635
1,964	4	125	488	12	2,593	–	2,593	114,496
2,942	21	178	604	19	3,764	–	3,764	76,700
–	–	–	–	–	–	–	–	–
460	200	424	575	637	2,296	–	2,296	24,213
108	71	55	48	94	376	–	376	5,196
–	–	–	–	–	–	–	–	–
947	90	72	8,230	30	9,369	7	9,376	459,765
–	39	–	–	78	117	–	117	1,357
12	–	184	267	35	498	–	498	1,750
33,199	**4,379**	**19,576**	**98,277**	**11,585**	**167,016**	**359**	**167,375**	**5,543,112**
–	–	–	–	–	–	–	–	323
–	238	–	–	244	482	–	482	258,427
–	–	–	–	–	–	–	–	–
–	1,156	–	–	292	1,448	–	1,448	867,158
–	11	–	–	–	11	–	11	1,418
–	–	–	–	–	–	–	–	–
–	**1,405**	**–**	**–**	**536**	**1,941**	**–**	**1,941**	**1,127,326**
–	8,516	–	–	9,014	17,530	–	17,530	281,856
–	1,982	–	–	1,184	3,166	–	3,166	61,144
–	4,508	–	–	1,480	5,988	–	5,988	108,089
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	**15,006**	**–**	**–**	**11,678**	**26,684**	**–**	**26,684**	**451,089**
33,199	**20,790**	**19,576**	**98,277**	**23,799**	**195,641**	**359**	**196,000**	**7,121,527**
								(922)
								(922)
								7,120,605

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

d) Customer loans and receivables – commercial

CUSTOMER LOANS AND ACCOUNTS RECEIVABLE As of December 31, 2022 (in MCH$)	Financial Assets Before Allowances					
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total
	Assessment		Assessment	Assessment		
	Individual	Group	Individual	Individual	Group	
Commercial loans						
Commercial loans	3,476,569	401,068	839,018	283,578	32,085	5,032,318
Foreign trade loans – Chilean exports	147,383	120	8,500	1,395	58	157,456
Foreign trade loans – Chilean imports	103,864	1,532	8,835	183	–	114,414
Foreign trade loans between third party countries	–	–	–	–	–	–
Current account overdrafts	27,573	7,927	4,078	1,818	597	41,993
Credit card debtors	2,744	2,173	412	67	73	5,469
Factored receivables	–	–	–	–	–	–
Commercial financial lease transactions	302,962	17,657	106,742	33,729	949	462,039
Student loans	–	1,914	–	–	110	2,024
Other loans and receivables	408	13	65	1,313	98	1,897
Subtotal	**4,061,503**	**432,404**	**967,650**	**322,083**	**33,970**	**5,817,610**
Mortgage loans						
Loans with mortgage bonds	–	470	–	–	–	470
Mutual loans with endorsable mortgages	–	243,834	–	–	5,880	249,714
Mutual loans financed with mortgage bonds	–	–	–	–	–	–
Other mutual mortgage loans	–	746,261	–	–	6,265	752,526
Financial leasing transactions for mortgages	–	1,426	–	–	–	1,426
Other loans and receivables	–	–	–	–	–	–
Subtotal	**–**	**991,991**	**–**	**–**	**12,145**	**1,004,136**
Consumer loans						
Consumer loans in installments	–	266,936	–	–	13,241	280,177
Current account overdrafts	–	61,408	–	–	2,180	63,588
Credit card debtors	–	108,417	–	–	1,666	110,083
Consumer financial leasing transactions	–	–	–	–	–	–
Other loans and receivables	–	–	–	–	–	–
Subtotal	**–**	**436,761**	**–**	**–**	**17,087**	**453,848**
Total	**4,061,503**	**1,861,156**	**967,650**	**322,083**	**63,202**	**7,275,594**
Accounting hedges:						
Commercial loans						
Subtotal						
Total customer loans and receivables						

Allowances Recognized					Subtotal	FOGAPE COVID-19 Guarantee Deductible	Total	Net Financial Asset
Normal Portfolio		Substandard Portfolio	Default Portfolio					
Assessment		Assessment	Assessment					
Individual	Group	Individual	Individual	Group				
23,318	3,449	14,388	78,773	8,251	128,179	761	128,940	4,903,378
2,438	1	246	676	19	3,380	–	3,380	154,076
2,209	22	1,035	85	–	3,351	–	3,351	111,063
–	–	–	–	–	–	–	–	–
401	206	506	534	318	1,965	–	1,965	40,028
89	63	49	37	40	278	–	278	5,191
–	–	–	–	–	–	–	–	–
638	33	162	5,207	98	6,138	15	6,153	455,886
–	65	–	–	78	143	–	143	1,881
11	–	5	1,048	35	1,099	–	1,099	798
29,104	**3,839**	**16,391**	**86,360**	**8,839**	**144,533**	**776**	**145,309**	**5,672,301**
–	–	–	–	–	–	–	–	470
–	183	–	–	160	343	–	343	249,371
–	–	–	–	–	–	–	–	–
–	938	–	–	128	1,066	–	1,066	751,460
–	11	–	–	–	11	–	11	1,415
–	–	–	–	–	–	–	–	–
–	**1,132**	**–**	**–**	**288**	**1,420**	**–**	**1,420**	**1,002,716**
–	7,445	–	–	6,815	14,260	–	14,260	265,917
–	1,927	–	–	1,034	2,961	–	2,961	60,627
–	3,933	–	–	1,219	5,152	–	5,152	104,931
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	**13,305**	**–**	**–**	**9,068**	**22,373**	**–**	**22,373**	**431,475**
29,104	**18,276**	**16,391**	**86,360**	**18,195**	**168,326**	**776**	**169,102**	**7,106,492**
								(2,715)
								(2,715)
								7,103,777

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

E) Contingent loans

Balances of contingent loans as of December 31, 2023 and 2022, are detailed as follows:

Contingent loans related to commercial and consumer loans

CREDIT RISK EXPOSURE FOR CONTINGENT LOANS December 31, 2023 (MCH$)	Contingent Credit Exposure Before Allowances					
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total
	Assessment		Assessment	Assessment		
	Individual	Group	Individual	Individual	Group	
Commercial loans						
Commercial loans	–	–	–	–	–	–
Foreign trade loans – Chilean exports	–	–	–	–	–	–
Foreign trade loans – Chilean imports	2,634	1	3	–	–	2,638
Foreign trade loans between third party countries	–	–	–	–	–	–
Current account overdrafts	81,866	8,915	1,928	95	33	92,837
Credit card debtors	9,793	5,732	582	19	36	16,162
Factored receivables	–	–	–	–	–	–
Commercial financial lease transactions Student loans	–	–	–	–	–	–
Student loans	–	–	–	–	–	–
Other loans and receivables	219,622	1,813	6,415	12,596	112	240,558
Subtotal	**313,915**	**16,461**	**8,928**	**12,710**	**181**	**352,195**
Consumer loans						
Current account overdrafts	–	–	–	–	–	–
Credit card debtors	–	21,686	–	–	311	21,997
Other	–	60,123	–	–	833	60,956
Subtotal	**–**	**81,809**	**–**	**–**	**1,144**	**82,953**
TOTAL	**313,915**	**98,270**	**8,928**	**12,710**	**1,325**	**435,148**

Allowances Recognized						Net Credit Risk Exposure on Contingent Loans
Normal Portfolio		Substandard Portfolio	Default Portfolio		Total	
Assessment		Assessment	Assessment			
Individual	Group	Individual	Individual	Group		
–	–	–	–	–	–	–
–	–	–	–	–	–	–
47	–	–	–	–	47	2,591
–	–	–	–	–	–	–
1,118	229	158	20	19	1,544	91,293
405	150	74	13	20	662	15,500
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
3,574	26	492	590	13	4,695	235,863
5,144	**405**	**724**	**623**	**52**	**6,948**	**345,247**
–	–	–	–	–	–	–
–	117	–	–	142	259	21,738
–	664	–	–	571	1,235	59,721
–	**781**	**–**	**–**	**713**	**1,494**	**81,459**
5,144	**1,186**	**724**	**623**	**765**	**8,442**	**426,706**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

e) Contingent loans

Balances of contingent loans as of December 31, 2023 and 2022, are detailed as follows:

Contingent loans related to commercial and consumer loans

CREDIT RISK EXPOSURE FOR CONTINGENT LOANS December 31, 2023 (MCH$)	Contingent Credit Exposure Before Allowances					
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total
	Assessment		Assessment	Assessment		
	Individual	Group	Individual	Individual	Group	
Commercial loans						
Commercial loans	–	–	–	–	–	–
Foreign trade loans – Chilean exports	–	–	–	–	–	–
Foreign trade loans – Chilean imports	2,634	1	3	–	–	2,638
Foreign trade loans between third party countries	–	–	–	–	–	–
Current account overdrafts	81,866	8,915	1,928	95	33	92,837
Credit card debtors	9,793	5,732	582	19	36	16,162
Factored receivables	–	–	–	–	–	–
Commercial financial lease transactions Student loans	–	–	–	–	–	–
Student loans	–	–	–	–	–	–
Other loans and receivables	219,622	1,813	6,415	12,596	112	240,558
Subtotal	**313,915**	**16,461**	**8,928**	**12,710**	**181**	**352,195**
Consumer loans						
Current account overdrafts	–	–	–	–	–	–
Credit card debtors	–	21,686	–	–	311	21,997
Other	–	60,123	–	–	833	60,956
Subtotal	**–**	**81,809**	**–**	**–**	**1,144**	**82,953**
TOTAL	**313,915**	**98,270**	**8,928**	**12,710**	**1,325**	**435,148**

Allowances Recognized						Net Credit Risk Exposure on Contingent Loans
Normal Portfolio		Substandard Portfolio	Default Portfolio		Total	
Assessment		Assessment	Assessment			
Individual	Group	Individual	Individual	Group		
–	–	–	–	–	–	–
–	–	–	–	–	–	–
47	–	–	–	–	47	2,591
–	–	–	–	–	–	–
1,118	229	158	20	19	1,544	91,293
405	150	74	13	20	662	15,500
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
3,574	26	492	590	13	4,695	235,863
5,144	**405**	**724**	**623**	**52**	**6,948**	**345,247**
–	–	–	–	–	–	–
–	117	–	–	142	259	21,738
–	664	–	–	571	1,235	59,721
–	**781**	**–**	**–**	**713**	**1,494**	**81,459**
5,144	**1,186**	**724**	**623**	**765**	**8,442**	**426,706**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

e) Contingent loans

Balances of contingent loans as of December 31, 2023 and 2022, are detailed as follows:

Contingent loans related to commercial and consumer loans

CREDIT RISK EXPOSURE FOR CONTINGENT LOANS December 31, 2022 (MCH$)	Contingent Credit Exposure Before Allowances					
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total
	Assessment		Assessment	Assessment		
	Individual	Group	Individual	Individual	Group	
Commercial loans						
Commercial loans	–	–	–	–	–	–
Foreign trade loans – Chilean exports	–	–	–	–	–	–
Foreign trade loans – Chilean imports	1,636	19	33	–	–	1,688
Foreign trade loans between third party countries	–	–	–	–	–	–
Current account overdrafts	95,788	10,068	1,854	259	39	108,008
Credit card debtors	8,505	6,031	641	26	19	15,222
Factored receivables	–	–	–	–	–	–
Commercial financial lease transactions Student loans	–	–	–	–	–	–
Student loans	–	–	–	–	–	–
Other loans and receivables	200,240	1,560	6,350	12,795	104	221,049
Subtotal	**306,169**	**17,678**	**8,878**	**13,080**	**162**	**345,967**
Consumer loans						
Current account overdrafts	–	22,162	–	–	290	22,452
Credit card debtors	–	55,229	–	–	896	56,125
Other	–	–	–	–	–	–
Subtotal	**–**	**77,391**	**–**	**–**	**1,186**	**78,577**
TOTAL	**306,169**	**95,069**	**8,878**	**13,080**	**1,348**	**424,544**

Allowances Recognized						
Normal Portfolio		Substandard Portfolio	Default Portfolio		Total	Net Credit Risk Exposure on Contingent Loans
Assessment		Assessment	Assessment			
Individual	Group	Individual	Individual	Group		
–	–	–	–	–	–	–
–	–	–	–	–	–	–
9	–	–	–	–	9	1,679
–	–	–	–	–	–	–
868	258	140	41	22	1,329	106,679
267	160	83	13	11	534	14,688
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
3,369	28	387	700	5	4,489	216,560
4,513	**446**	**610**	**754**	**38**	**6,361**	**339,606**
–	117	–	–	138	255	22,197
–	586	–	–	595	1,181	54,944
–	–	–	–	–	–	–
–	**703**	**–**	**–**	**733**	**1,436**	**77,141**
4,513	**1,149**	**610**	**754**	**771**	**7,797**	**416,747**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

f) Summary of changes in allowances recognized - Loans and advances to banks

Changes in allowances for loans and advances to banks for the years ended December 31, 2023 and 2022, are summarized as follows:

SUMMARY OF CHANGES IN ALLOWANCES RECOGNIZED FOR CREDIT RISK PORTFOLIO FOR THE YEAR ENDED DECEMBER 31, 2023 (MCH$)	Movement in Allowances Recognized by Portfolio in the Period			
	Individual Assessment			Total
	Normal Portfolio	Substandard Portfolio	Default Portfolio	
Loans and advances to banks				
Balances as of January 1, 2023	–	–	–	–
Recognition / (use) of allowances for:				
Change in measurement without portfolio reclassification during the period:	–	–	–	–
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (–) to (+)]:				
Individual normal to individual substandard	–	–	–	–
Individual normal to individual default	–	–	–	–
Individual substandard to individual default	–	–	–	–
Individual substandard to individual normal	–	–	–	–
Individual default to individual substandard	–	–	–	–
Individual default to individual normal	–	–	–	–
New loans originated	–	–	–	–
New conversion loans	–	–	–	–
New loans acquired	–	–	–	–
Sale or transfer of loans	–	–	–	–
Loan repayment	–	–	–	–
Application of allowances for write-offs	–	–	–	–
Collection of written-off loans	–	–	–	–
Exchange differences	–	–	–	–
Other changes in allowances	–	–	–	–
Closing balances as of December 31, 2023	**-**	**-**	**-**	**-**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

SUMMARY OF CHANGES IN ALLOWANCES RECOGNIZED FOR CREDIT RISK PORTFOLIO FOR THE YEAR ENDED DECEMBER 31, 2022 (MCH$)	Movement in Allowances Recognized by Portfolio in the Period			
	Individual Assessment			Total
	Normal Portfolio	Substandard Portfolio	Default Portfolio	
Loans and advances to banks				
Balances as of January 1, 2022	11	–	–	11
Recognition / (use) of allowances for:				
Change in measurement without portfolio reclassification during the period:	(1)	–	–	(1)
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (–) to (+)]:				
Individual normal to individual substandard	–	–	–	–
Individual normal to individual default	–	–	–	–
Individual substandard to individual default	–	–	–	–
Individual substandard to individual normal	–	–	–	–
Individual default to individual substandard	–	–	–	–
Individual default to individual normal	–	–	–	–
New loans originated	–	–	–	–
New conversion loans	–	–	–	–
New loans acquired	–	–	–	–
Sale or transfer of loans	–	–	–	–
Loan repayment	(10)	–	–	(10)
Application of allowances for write-offs	–	–	–	–
Collection of written-off loans	–	–	–	–
Exchange differences	–	–	–	–
Other changes in allowances	–	–	–	–
Closing on December 31, 2023	-	-	-	-

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

g) Summary of changes in recognized allowances - Commercial loans

Changes in allowances for commercial loans for the years ended December 31, 2023 and 2022, are summarized as follows:

SUMMARY OF CHANGES IN ALLOWANCES FOR CREDIT RISK PORTFOLIO DURING THE PERIOD For the year ended December 31, 2023 (MCH$)	Movement in Portfolio Allowances in the Period							
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total	FOGAPE COVID-19 Guarantee Deductible	Total
	Assessment		Assessment	Assessment				
	Individual	Group	Individual	Individual	Group			
Commercial loans								
Balance as of January 1, 2023	**29,104**	**3,839**	**16,391**	**86,360**	**8,839**	**144,533**	**776**	**145,309**
Recognition / (use) of allowances for:								
Change in measurement without portfolio reclassification during the period:	**3,073**	**2,739**	**7,601**	**28,011**	**1,275**	**42,699**	**–**	**42,699**
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:								
Individual normal to individual substandard	(2,646)	–	4,348	–	–	1,702	–	1,702
Normal individual to individual non-compliance	(2)	–	–	33	–	31	–	31
Individual substandard to individual default	–	–	(4,953)	11,418	–	6,465	–	6,465
Individual substandard to individual normal	746	–	(874)	–	–	(128)	–	(128)
Individual default to individual substandard	–	–	2,955	(3,038)	–	(83)	–	(83)
Individual default to individual normal	–	–	–	–	–	–	–	–
Group normal to group default	–	(953)	–	–	2,893	1,940	–	1,940
Group default to group normal	–	–	–	–	–	–	–	–
New loans originated	23,785	1,554	1,770	1,791	6	28,906	–	28,906
New loans for conversion from contingent to loans	2,005	599	1,366	376	156	4,502	–	4,502
New loans acquired	–	79	–	–	23	102	–	102
Sale or transfer of loans	–	–	–	–	–	–	–	–
Loan repayment	(22,458)	(3,423)	(8,709)	157	(1,279)	(35,712)	–	(35,712)
Application of allowances for write-offs	–	–	–	(24,421)	(1,429)	(25,850)	–	(25,850)
Collection of written-off loans	–	–	–	–	–	–	–	–
Changes in models and methods	(86)	(53)	54	(1,630)	1,109	(606)	–	(606)
Exchange differences	(322)	(2)	(373)	(780)	(8)	(1,485)	–	(1,485)
Other changes in allowances (if applicable)	–	–	–	–	–	–	(417)	(417)
Balances as of December 31, 2023	**33,199**	**4,379**	**19,576**	**98,277**	**11,585**	**167,016**	**359**	**167,375**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

SUMMARY OF CHANGES IN ALLOWANCES FOR CREDIT RISK PORTFOLIO DURING THE PERIOD For the year ended December 31, 2022 (MCH$)	Movement in Portfolio Allowances in the Period							
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total	FOGAPE COVID-19 Guarantee Deductible	Total
	Assessment		Assessment	Assessment				
	Individual	Group	Individual	Individual	Group			
Commercial loans								
Balance as of January 1, 2022	**23,702**	**2,633**	**18,084**	**84,281**	**8,744**	**137,444**	**1,365**	**138,809**
Recognition / (use) of allowances for:	**(1,849)**	**1,566**	**7,210**	**27,778**	**590**	**35,295**	**–**	**35,295**
Change in measurement without portfolio reclassification during the period:								
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:								
Individual normal to individual substandard	(1,752)	–	4,342	–	–	2,590	–	2,590
Normal individual to individual non-compliance	(5)	–	–	129	–	124	–	124
Individual substandard to individual default	–	–	(6,925)	12,444	–	5,519	–	5,519
Individual substandard to individual normal	121	–	(95)	–	–	26	–	26
Individual default to individual substandard	–	–	8	(101)	–	(93)	–	(93)
Individual default to individual normal	–	–	–	–	–	–	–	–
Group normal to group default	–	(614)	–	–	1,855	1,241	–	1,241
Group default to group normal	–	1	–	–	(1)	–	–	–
New loans originated	25,891	1,479	1,422	28,263	65	57,120	–	57,120
New loans for conversion from contingent to loans	2,079	673	1,548	1,413	107	5,820	–	5,820
New loans acquired	–	77	–	–	92	169	–	169
Sale or transfer of loans	–	–	–	(29,997)	–	(29,997)	–	(29,997)
Loan repayment	(18,846)	(2,461)	(9,171)	(26,885)	(3,898)	(61,261)	–	(61,261)
Application of allowances for write-offs	–	(1)	–	(7,086)	(2,899)	(9,986)	–	(9,986)
Collection of written-off loans	–	1	–	–	–	1	–	1
Changes in models and methods	(222)	485	(140)	(2,438)	4,177	1,862	–	1,862
Exchange differences	(15)	–	108	(1,441)	7	(1,341)	–	(1,341)
Other changes in allowances (if applicable)	–	–	–	–	–	–	(589)	(589)
Balances as of December 31, 2022	**29,104**	**3,839**	**16,391**	**86,360**	**8,839**	**144,533**	**776**	**145,309**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

h) Summary of changes in recognized allowances - Mortgage loans

Changes in allowances for mortgage loans for the years ended December 31, 2023 and 2022, are summarized as follows:

SUMMARY OF CHANGES IN ALLOWANCES FOR CREDIT RISK PORTFOLIO DURING THE PERIOD	Movement in Portfolio Allowances in the Period		
	Group Assessment		Total
For the year ended December 31, 2023 (MCH$)	Normal Portfolio	Default Portfolio	
Housing loans			
Balance as of January 1, 2023	**1,132**	**288**	**1,420**
Recognition / (use) of allowances for:			
Change in measurement without portfolio reclassification during the period:	22	2	24
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:			
Group normal to group default	(71)	428	357
Group default to group normal	-	(3)	(3)
New loans originated	556	-	556
New loans acquired	57	19	76
Sale or transfer of loans	-	-	-
Loan repayment	(704)	(237)	(941)
Application of allowances for write-offs	-	(40)	(40)
Collection of written-off loans	-	-	-
Changes in models and methods	413	79	492
Exchange differences	-	-	-
Other changes in allowances (if applicable)	-	-	-
Balances as of December 31, 2023	**1,405**	**536**	**1,941**

SUMMARY OF CHANGES IN ALLOWANCES FOR CREDIT RISK PORTFOLIO DURING THE PERIOD	Movement in Portfolio Allowances in the Period		
	Group Assessment		Total
For the year ended December 31, 2022 (MCH$)	Normal Portfolio	Default Portfolio	
Mortgage Loans			
Balance as of January 1, 2022	**703**	**793**	**1,496**
Recognition / (use) of allowances for:			
Change in measurement without portfolio reclassification during the period:	217	(90)	127
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:			
Group normal to group default	(97)	130	33
Group default to group normal	-	-	-
New loans originated	1,021	-	1,021
New loans acquired	17	85	102
Sale or transfer of loans	-	-	-
Loan repayment	(729)	(525)	(1,254)
Application of allowances for write-offs	-	(105)	(105)
Collection of written-off loans	-	-	-
Changes in models and methods	-	-	-
Exchange differences	-	-	-
Other changes in allowances (if applicable)	-	-	-
Balances as of December 31, 2022	**1,132**	**288**	**1,420**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

i) Summary of changes in recognized allowances - Consumer loans

Changes in allowances for consumer loans for the years ended December 31, 2023 and 2022, are summarized as follows:

SUMMARY OF CHANGES IN ALLOWANCES BY CREDIT RISK PORTFOLIO DURING THE PERIOD For the year ended December 31, 2023 (MCH$)	Movement in Portfolio Allowances in the Period		
	Group Assessment		Total
	Normal Portfolio	Default Portfolio	
Consumer loans			
Balance as of January 1, 2023	**13,305**	**9,068**	**22,373**
Recognition / (use) of allowances for:			
Change in measurement without portfolio reclassification during the period:	(4,077)	3,852	(225)
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:			
Group normal to group default	(3,441)	9,585	6,144
Group default to group normal	1	(7)	(6)
New loans originated	2,977	8	2,985
New loans for conversion from contingent to loans	8,295	4,082	12,377
New loans acquired	–	–	–
Sale or transfer of loans	–	–	–
Loan repayment	(2,640)	(3,919)	(6,559)
Application of allowances for write-offs	(13)	(11,058)	(11,071)
Collection of written-off loans	75	68	143
Changes in models and methods	524	–	524
Exchange differences	(1)	–	(1)
Other changes in allowances	–	–	–
Balances as of December 31, 2023	**15,005**	**11,679**	**26,684**

SUMMARY OF CHANGES IN ALLOWANCES BY CREDIT RISK PORTFOLIO DURING THE PERIOD For the year ended December 31, 2022 (MCH$)	Movement in Portfolio Allowances in the Period		
	Group Assessment		Total
	Normal Portfolio	Default Portfolio	
Consumer loans			
Balance as of January 1, 2022	**10,938**	**7,437**	**18,375**
Recognition / (use) of allowances for:			
Change in measurement without portfolio reclassification during the period:	(1,267)	1,694	427
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:			
Group normal to group default	(2,718)	7,322	4,604
Group default to group normal	2	(12)	(10)
New loans originated	2,233	15	2,248
New loans for conversion from contingent to loans	6,812	2,514	9,326
New loans acquired	–	–	–
Sale or transfer of loans	–	–	–
Loan repayment	(3,490)	(5,027)	(8,517)
Application of allowances for write-offs	–	(5,264)	(5,264)
Collection of written-off loans	104	–	104
Changes in models and methods	691	389	1,080
Exchange differences	–	–	–
Other changes in allowances	–	–	–
Balances as of December 31, 2022	**13,305**	**9,068**	**22,373**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

j) Summary of changes in allowances recognized - Contingent loans

Changes in allowances for contingent loans for the years ended December 31, 2023 and 2022, are summarized as follows:

SUMMARY OF CHANGES IN ALLOWANCES BY CREDIT RISK PORTFOLIO DURING THE PERIOD For the year ended December 31, 2023 (MCH$)	Movement in Portfolio Allowances in the Period					
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total
	Assessment		Assessment	Assessment		
	Individual	Group	Individual	Individual	Group	
Contingent loan exposure						
Closing balances as of December 31, 2023	4,513	1,149	610	754	771	7,797
Recognition / (use) of allowances for:						
Change in measurement without portfolio reclassification during the period:	(2,125)	(70)	(284)	(361)	(914)	(3,754)
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:						
Individual normal to individual substandard	(167)	–	265	–	–	98
Normal individual to individual non-compliance	–	–	–	6	–	6
Individual substandard to individual default	–	–	(75)	326	–	251
Individual substandard to individual normal	39	–	(61)	–	–	(22)
Individual default to substandard	–	–	3	(14)	–	(11)
Individual default to individual normal	–	–	–	–	–	–
Group normal to group default	–	(18)	–	–	917	899
Group default to group normal	–	–	–	–	(2)	(2)
Newly granted contingent loans	4,165	181	410	6	17	4,779
Contingent loans for loan conversion	(1,258)	(24)	(156)	(75)	(27)	(1,540)
Changes in models and methods	23	(17)	11	(19)	14	12
Exchange differences	(46)	(15)	1	–	(11)	(71)
Other changes in allowances	–	–	–	–	–	–
Balances as of December 31, 2023	**5,144**	**1,186**	**724**	**623**	**765**	**8,442**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

SUMMARY OF CHANGES IN ALLOWANCES BY CREDIT RISK PORTFOLIO DURING THE PERIOD For the year ended December 31, 2022 (MCH$)	Changes in Portfolio Allowances in the Period					
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total
	Assessment		Assessment	Assessment		
	Individual	Group	Individual	Individual	Group	
Contingent loan exposure						
Closing balances December 2022	3,527	2,397	431	466	741	7,562
Recognition / (use) of allowances for:						
Change in measurement without portfolio reclassification during the period:	(2,302)	(377)	(1,160)	(595)	(493)	(4,927)
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (–) to (+)]:						
Individual normal to individual substandard	(571)	–	1,170	–	–	599
Normal individual to individual non-compliance	–	–	–	13	–	13
Individual substandard to individual default	–	–	(253)	1,293	–	1,040
Individual substandard to individual normal	39	–	(60)	–	–	(21)
Individual default to substandard	–	–	253	(353)	–	(100)
Individual default to individual normal	–	–	–	(2)	–	(2)
Group normal to group default	–	(11)	–	–	549	538
Group default to group normal	–	–	–	–	(22)	(22)
Newly granted contingent loans	3,853	118	267	22	53	4,313
Contingent loans for loan conversion	(59)	(1,078)	(18)	(72)	(125)	(1,352)
Changes in models and methods	7	53	(32)	(19)	57	66
Exchange differences	19	47	12	1	11	90
Other changes in allowances	–	–	–	–	–	–
Balances as of December 31, 2022	**4,513**	**1,149**	**610**	**754**	**771**	**7,797**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

k) Concentration of loans by economic activity

As of December 31, 2023 and 2022, concentration of loans by economic activity is detailed as follows:

LOANS, CONTINGENT LOAN EXPOSURE AND ALLOWANCES RECOGNIZED BY ECONOMIC ACTIVITY AS OF DECEMBER 31, 2023 (MCH$)	Loans and Contingent Loan Exposure			Allowances Recognized		
	Loans		Total	Loans		Total
	Domestic	Foreign		Domestic	Foreign	
Loans and advances to banks	**-**	**142**	**142**	**-**	**-**	**-**
Commercial loans						
Agriculture and livestock	30,990	-	30,990	1,451	-	1,451
Fruit	157,016	-	157,016	5,621	-	5,621
Forestry	6,474	-	6,474	250	-	250
Fishing	34,021	-	34,021	1,063	-	1,063
Mining	107,767	-	107,767	151	-	151
Oil and natural gas	-	-	-	-	-	-
Product manufacturing industry	4,983	-	4,983	322	-	322
Food, beverages and tobacco	84,905	-	84,905	9,200	-	9,200
Textile, leather and footwear	11,988	-	11,988	179	-	179
Wood and furniture	8,640	-	8,640	222	-	222
Pulp, paper and printing	11,195	-	11,195	235	-	235
Chemicals and petroleum derivatives	33,075	-	33,075	1,435	-	1,435
Metallic, nonmetallic, machinery, or others	77,313	-	77,313	2,749	-	2,749
Utilities	115,748	-	115,748	11,333	-	11,333
Home construction	719,260	-	719,260	20,981	-	20,981
Non-housing construction (office, civil works)	261,656	-	261,656	4,439	-	4,439
Wholesale trade	304,429	-	304,429	9,564	-	9,564
Retail, restaurants and hotels	233,663	-	233,663	13,759	-	13,759
Transportation and storage	439,554	-	439,554	4,038	-	4,038
Telecom	14,108	-	14,108	120	-	120
Financial services	969,136	-	969,136	48,940	-	48,940
Corporate services	1,248,123	-	1,248,123	16,297	-	16,297
Real estate services	-	-	-	-	-	-
Student loans	1,474	-	1,474	116	-	116
Public administration, defense and police	-	-	-	-	-	-
Social and other community services	9,655	-	9,655	388	-	388
Personal services	825,314	-	825,314	14,163	-	14,163
Subtotal	**5,710,487**	**-**	**5,710,487**	**167,016**	**-**	**167,016**
Mortgage loans	**1,129,267**	**-**	**1,129,267**	**1,941**	**-**	**1,941**
Consumer loans	**477,773**	**-**	**477,773**	**26,684**	**-**	**26,684**
Contingent loan exposure	**435,148**	**-**	**435,148**	**8,442**	**-**	**8,442**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

LOANS, CONTINGENT LOAN EXPOSURE AND ALLOWANCES RECOGNIZED BY ECONOMIC ACTIVITY AS OF DECEMBER 31, 2022 (MCH$)	Loans and Contingent Loan Exposure			Allowances Recognized		
	Loans		Total	Loans		Total
	Domestic	Foreign		Domestic	Foreign	
Loans and advances to banks	**–**	**–**	**–**	**–**	**–**	**–**
Commercial loans						
Agriculture and livestock	40,335	–	40,335	5,409	–	5,409
Fruit	185,193	–	185,193	3,558	–	3,558
Forestry	7,546	–	7,546	288	–	288
Fishing	76,112	–	76,112	1,326	–	1,326
Mining	101,437	–	101,437	83	–	83
Oil and natural gas	–	–	–	–	–	–
Product manufacturing industry	1,289	–	1,289	30	–	30
Food, beverages and tobacco	106,668	–	106,668	7,426	–	7,426
Textile, leather and footwear	12,538	–	12,538	160	–	160
Wood and furniture	13,359	–	13,359	511	–	511
Pulp, paper and printing	7,331	–	7,331	128	–	128
Chemicals and petroleum derivatives	55,805	–	55,805	1,392	–	1,392
Metallic, nonmetallic, machinery, or others	90,709	–	90,709	4,567	–	4,567
Utilities	175,268	–	175,268	14,325	–	14,325
Home construction	713,180	–	713,180	9,080	–	9,080
Non-housing construction (office, civil works)	222,127	–	222,127	3,748	–	3,748
Wholesale trade	338,956	–	338,956	8,332	–	8,332
Retail, restaurants and hotels	253,439	–	253,439	10,328	–	10,328
Transportation and storage	417,697	–	417,697	8,035	–	8,035
Telecom	17,113	–	17,113	154	–	154
Financial services	981,330	–	981,330	41,027	–	41,027
Corporate services	1,185,334	–	1,185,334	13,263	–	13,263
Real estate services	–	–	–	–	–	–
Student loans	2,022	–	2,022	142	–	142
Public administration, defense and police	–	–	–	–	–	–
Social and other community services	6,436	–	6,436	232	–	232
Personal services	806,386	–	806,386	10,989	–	10,989
Subtotal	**5,817,610**	**–**	**5,817,610**	**144,533**	**–**	**144,533**
Mortgage loans	**1,004,136**	**-**	**1,004,136**	**1,420**	**-**	**1,420**
Consumer loans	**453,848**	**-**	**453,848**	**22,373**	**-**	**22,373**
Contingent loan exposure	**424,544**	**-**	**424,544**	**7,797**	**-**	**7,797**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

l) Mortgage loans and allowances by tranche of unpaid principal over the value of the mortgage collateral (LTV) and days past due, respectively:

December 31, 2023 Loan Tranche / Collateral Value (%)	Mortgage Loans (MCH$)						Allowances for Mortgage Loans (MCH$)					
	Days Past Due at Period End						Days Past Due at Period End					
	0	1 to 29	30 to 59	60 to 89	>=90	Total	0	1 to 29	30 to 59	60 to 89	>=90	Total
LTV<= 40%	197,346	4,038	1,005	355	2,887	205,631	–	–	–	–	2	2
40% < LTV <= 80%	786,868	13,939	4,611	1,519	11,476	818,413	333	108	70	35	349	895
80% < LTV <= 90%	34,945	570	385	–	–	35,900	189	35	44	–	–	268
LTV > 90%	68,267	107	95	241	613	69,323	509	9	15	58	185	776
TOTAL	**1,087,426**	**18,654**	**6,096**	**2,115**	**14,976**	**1,129,267**	**1,031**	**152**	**129**	**93**	**536**	**1,941**

December 31, 2022 Loan Tranche / Collateral Value (%)	Mortgage Loans (MCH$)						Allowances for Mortgage Loans (MCH$)					
	Days Past Due at Period End						Days Past Due at Period End					
	0	1 to 29	30 to 59	60 to 89	>=90	Total	0	1 to 29	30 to 59	60 to 89	>=90	Total
LTV<= 40%	175,132	2,985	1,064	208	2,724	182,113	–	–	–	–	1	1
40% < LTV <= 80%	707,469	14,047	5,721	807	9,421	737,465	298	109	87	19	287	800
80% < LTV <= 90%	19,048	–	–	–	–	19,048	103	–	–	–	–	103
LTV > 90%	65,140	370	–	–	–	65,510	485	31	–	–	–	516
TOTAL	**966,789**	**17,402**	**6,785**	**1,015**	**12,145**	**1,004,136**	**886**	**140**	**87**	**19**	**288**	**1,420**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

m) Loans and advances to banks and commercial loans and allowances for loan losses by rating

The concentration of loans and advances to banks and commercial loans and allowances for loan losses by ranking as of December 31, 2023 and 2022, is as follows:

Concentration of loans and advances to banks and commercial loans and allowances for loan losses by rating As of December 31, 2023 (in MCH$)	Loans and Advances to Banks and Commercial Loans											
	Assessment											
								Individual				
	Normal Portfolio							Substandard Portfolio				
	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal
Loans and advances to banks												
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–	–	–	–
Interbank liquidity loans	–	–	–	–	–	–	–	–	–	–	–	–
Other receivables from banks	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans – Chilean imports	–	142	–	–	–	–	142	–	–	–	–	–
Interbank commercial loans	–	–	–	–	–	–	–	–	–	–	–	–
Current account overdrafts	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans – Chilean exports	–	–	–	–	–	–	–	–	–	–	–	–
Subtotal	**–**	**142**	**–**	**–**	**–**	**–**	**142**	**–**	**–**	**–**	**–**	**–**
Allowances recognized	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Allowances recognized (%)	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Commercial loans												
Foreign trade loans – Chilean exports	–	–	35,136	5,970	46,441	24,608	112,155	3,320	–	238	–	3,558
Credit card debtors	–	5	228	802	1,033	731	2,799	288	28	61	2	379
Student loans	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans – Chilean imports	–	4,400	84	14,473	18,940	37,889	75,786	2,164	–	272	35	2,471
Commercial financial lease transactions	–	–	10,144	100,632	61,382	175,537	347,695	45,209	17,406	427	3,165	66,207
Current account overdrafts	–	588	1,799	642	7,338	2,826	13,193	2,027	566	747	66	3,406
Factored receivables	–	–	–	–	–	–	–	–	–	–	–	–
Other loans and receivables	–	–	85	165	146	83	479	47	1	–	583	631
Commercial loans	–	214,646	393,752	695,050	886,934	1,200,375	3,390,757	535,268	166,549	65,078	86,543	853,438
Subtotal	**–**	**219,639**	**441,228**	**817,734**	**1,022,214**	**1,442,049**	**3,942,864**	**588,323**	**184,550**	**66,823**	**90,394**	**930,090**
Allowances recognized	**–**	**142**	**884**	**6,793**	**8,475**	**16,905**	**33,199**	**5,304**	**6,071**	**2,469**	**5,732**	**19,576**
Allowances recognized (%)	**-**	**0.06%**	**0.20%**	**0.83%**	**0.83%**	**1.17%**	**0.84%**	**0.90%**	**3.29%**	**3.69%**	**6.34%**	**2.10%**

Assessment											Subtotal	Allowances for FOGAPE COVID-19 Guarantee Deductible	Total
								Group					
Default Portfolio							Total	Normal Portfolio	Default Portfolio	Total			
C1	C2	C3	C4	C5	C6	Subtotal							
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	142	–	–	–	142	–	142
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	**–**	**–**	**–**	**–**	**–**	**–**	**142**	**–**	**–**	**–**	**142**	**–**	**142**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
446	–	–	–	738	–	1,184	116,897	132	60	192	117,089	–	117,089
19	–	4	20	7	38	88	3,266	2,128	178	2,306	5,572	–	5,572
–	–	–	–	–	–	–	–	1,365	109	1,474	1,474	–	1,474
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	498	312	810	79,067	1,364	33	1,397	80,464	–	80,464
9,437	9,410	392	17,505	–	–	36,744	450,646	18,111	384	18,495	469,141	7	469,141
289	224	195	90	230	348	1,376	17,975	7,386	1,148	8,534	26,509	–	26,509
–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	165	779	–	–	61	1,028	2,138	11	99	110	2,248	–	2,248
125,759	55,806	7,726	53,640	57,806	21,119	321,856	4,566,051	406,540	35,399	441,939	5,007,990	352	5,007,990
135,973	**65,605**	**9,096**	**71,255**	**59,279**	**21,878**	**363,086**	**5,236,040**	**437,037**	**37,410**	**474,447**	**5,710,487**	**–**	**5,710,487**
2,719	**6,560**	**2,274**	**28,502**	**38,531**	**19,691**	**98,277**	**151,052**	**4,379**	**11,585**	**15,964**	**167,016**	**359**	**167,375**
2.00%	**10.00%**	**25.00%**	**40.00%**	**65.00%**	**90.00%**	**27.07%**	**2.88%**	**1.00%**	**30.97%**	**3.36%**	**2.92%**	**0,0000**	**2.93%**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

m) Loans and advances to banks and commercial loans and allowances for loan losses by rating

Concentration of loans and advances to banks and commercial loans and allowances for loan losses by rating As of December 31, 2022 (in MCH$)	Loans and Advances to Banks and Commercial Loans											
	Assessment											
											Individual	
	Normal Portfolio							Substandard Portfolio				
	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal
Loans and advances to banks												
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–	–	–	–
Interbank liquidity loans	–	–	–	–	–	–	–	–	–	–	–	–
Other receivables from banks	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean imports	–	–	–	–	–	–	–	–	–	–	–	–
Interbank commercial loans	–	–	–	–	–	–	–	–	–	–	–	–
Current account overdrafts	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean exports	–	–	–	–	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Allowances recognized	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Allowances recognized (%)	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Commercial loans												
Foreign trade loans - Chilean exports	–	–	27,549	19,509	85,313	15,012	147,383	7,965	442	–	93	8,500
Credit card debtors	–	8	456	694	1,214	372	2,744	354	32	22	4	412
Student loans	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans between third party countries	–	–	–	–	–	–	–	–	–	–	–	–
Foreign trade loans - Chilean imports	–	10,611	4,564	45,034	31,138	12,517	103,864	5,090	1,264	573	1,908	8,835
Commercial financial lease transactions	–	–	9,811	98,933	67,797	126,421	302,962	63,530	21,862	11,117	10,233	106,742
Current account overdrafts	–	9	15,339	7,136	1,825	3,264	27,573	2,862	491	517	208	4,078
Factored receivables	–	–	–	–	–	–	–	–	–	–	–	–
Other loans and receivables	–	2	74	110	169	53	408	35	16	12	2	65
Commercial loans	–	107,086	493,338	829,386	1,034,388	1,012,371	3,476,569	440,452	255,012	74,067	69,487	839,018
Subtotal	**–**	**117,716**	**551,131**	**1,000,802**	**1,221,844**	**1,170,010**	**4,061,503**	**520,288**	**279,119**	**86,308**	**81,935**	**967,650**
Allowances recognized	**–**	**95**	**1,143**	**7,004**	**12,405**	**8,457**	**29,104**	**3,125**	**3,769**	**4,380**	**5,117**	**16,391**
Allowances recognized (%)	**0.00%**	**0.08%**	**0.21%**	**0.70%**	**1.02%**	**0.72%**	**0.72%**	**0.60%**	**1.35%**	**5.07%**	**6.25%**	**1.69%**

Assessment											Subtotal	Allowances for FOGAPE COVID-19 Guarantee Deductible	Total
								Group					
Default Portfolio							Total	Normal Portfolio	Default Portfolio	Total			
C1	C2	C3	C4	C5	C6	Subtotal							
–	–	–	–	–	–	–	–	–	–	–		–	–
–	–	–	–	–	–	–	–	–	–	–		–	–
–	–	–	–	–	–	–	–	–	–	–		–	–
–	–	–	–	–	–	–	–	–	–	–		–	–
–	–	–	–	–	–	–	–	–	–	–		–	–
–	–	–	–	–	–	–	–	–	–	–		–	–
–	–	–	–	–	–	–	–	–	–	–		–	–
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**	**–**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**0.00%**	**0.00%**
525	–	–	–	470	400	1,395	157,278	120	58	178	157,456	–	157,456
22	4	–	–	6	35	67	3,223	2,173	73	2,246	5,469	–	5,469
–	–	–	–	–	–	–	–	1,914	110	2,024	2,024	–	2,024
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	135	48	–	183	112,882	1,532	–	1,532	114,414	–	114,414
12,077	3,913	17,032	576	131	–	33,729	443,433	17,657	949	18,606	462,039	15	462,039
503	577	159	153	73	353	1,818	33,469	7,927	597	8,524	41,993	–	41,993
–	–	–	–	–	–	–	–	–	–	–	–	–	–
21	76	–	–	218	998	1,313	1,786	13	98	111	1,897	–	1,897
75,280	45,387	37,209	89,350	20,119	16,233	283,578	4,599,165	401,068	32,085	433,153	5,032,318	761	5,032,318
88,428	**49,957**	**54,400**	**90,214**	**21,065**	**18,019**	**322,083**	**5,351,236**	**432,404**	**33,970**	**466,374**	**5,817,610**	**–**	**5,817,610**
1,769	**4,995**	**13,599**	**36,086**	**13,692**	**16,219**	**86,360**	**131,855**	**3,839**	**8,839**	**12,678**	**144,533**	**776**	**145,309**
2.00%	**10.00%**	**25.00%**	**40.00%**	**65.00%**	**90.01%**	**26.81%**	**2.46%**	**0.89%**	**26.02%**	**2.72%**	**2.48%**	**0.00%**	**2.50%**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

n) Loans and allowances for loan losses by tranche of days past due

As of December 31, 2023 and 2022, concentration of credit risk by days past due is detailed as follows:

CONCENTRATION OF CREDIT RISK BY DAYS PAST DUE AS OF DECEMBER 31, 2023 (MCH$)	Financial Assets Before Allowances						
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Subtotal	
	Assessment		Assessment	Assessment			
	Individual	Group	Individual	Individual	Group		Individual
Loans and advances to banks							
0 days	142	–	–	–	–	142	–
1 to 29 days	–	–	–	–	–	–	–
30 to 59 days	–	–	–	–	–	–	–
60 to 89 days	–	–	–	–	–	–	–
>= 90 days	–	–	–	–	–	–	–
Subtotal	**142**	**–**	**–**	**–**	**–**	**142**	**–**
Commercial loans							
0 days	3,918,562	417,938	855,842	210,009	10,568	5,412,919	33,161
1 to 29 days	24,302	12,281	37,360	26,929	2,755	103,627	38
30 to 59 days	–	5,369	27,059	8,634	2,948	44,010	–
60 to 89 days	–	1,449	9,829	7,738	1,948	20,964	–
>= 90 days	–	–	–	109,776	19,191	128,967	–
Subtotal	**3,942,864**	**437,037**	**930,090**	**363,086**	**37,410**	**5,710,487**	**33,199**
Mortgage loans							
0 days	–	1,087,424	–	–	2,630	1,090,054	–
1 to 29 days	–	18,655	–	–	1,355	20,010	–
30 to 59 days	–	6,096	–	–	634	6,730	–
60 to 89 days	–	2,116	–	–	943	3,059	–
>= 90 days	–	–	–	–	9,414	9,414	–
Subtotal	–	1,114,291	–	–	14,976	1,129,267	–
Consumer loans							
0 days	–	444,620	–	–	7,376	451,996	–
1 to 29 days	–	7,773	–	–	2,673	10,446	–
30 to 59 days	–	2,767	–	–	2,188	4,955	–
60 to 89 days	–	648	–	–	2,585	3,233	–
>= 90 days	–	–	–	–	7,143	7,143	–
Subtotal	–	455,808	–	–	21,965	477,773	–
Total loans	**3,943,006**	**2,007,136**	**930,090**	**363,086**	**74,351**	**7,317,669**	**33,199**

Allowances Recognized							Net Financial Assets
Normal Portfolio	Substandard Portfolio	Default Portfolio		Subtotal	FOGAPE COVID-19 Guarantee Deductible	Total	
Assessment	Assessment	Assessment					
Group	Individual	Individual	Group				
–	–	–	–	–	–	–	142
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	**–**	**–**	**–**	**–**	**–**	**–**	**142**
3,362	18,075	64,233	2,573	121,404	–	121,404	5,291,515
426	1,158	1,205	765	3,592	–	3,592	100,035
434	207	669	891	2,201	–	2,201	41,809
157	136	976	618	1,887	–	1,887	19,077
–	–	31,194	6,738	37,932	359	38,291	90,676
4,379	**19,576**	**98,277**	**11,585**	**167,016**	**359**	**167,375**	**5,543,112**
1,029	–	–	64	1,093	–	1,093	1,088,961
152	–	–	140	292	–	292	19,718
130	–	–	13	143	–	143	6,587
94	–	–	14	108	–	108	2,951
–	–	–	305	305	–	305	9,109
1,405	–	–	536	1,941	–	1,941	1,127,326
13,123	–	–	3,769	16,892	–	16,892	435,104
1,186	–	–	1,352	2,538	–	2,538	7,908
555	–	–	1,121	1,676	–	1,676	3,279
142	–	–	1,450	1,592	–	1,592	1,641
–	–	–	3,986	3,986	–	3,986	3,157
15,006	–	–	11,678	26,684	–	26,684	451,089
20,790	**19,576**	**98,277**	**23,799**	**195,641**	**359**	**196,000**	**7,121,669**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST (CONTINUED)

n) Loans and allowances for loan losses by tranche of days past due

CONCENTRATION OF CREDIT RISK BY DAYS PAST DUE As of December 31, 2022 (MCH$)	Financial Assets Before Allowances						
	Normal Portfolio		Substandard Portfolio	Default Portfolio		Subtotal	
	Assessment		Assessment	Assessment			
	Individual	Group	Individual	Individual	Group		Individual
Loans and advances to banks							
0 days	–	–	–	–	–	–	–
1 to 29 days	–	–	–	–	–	–	–
30 to 59 days	–	–	–	–	–	–	–
60 to 89 days	–	–	–	–	–	–	–
>= 90 days	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Commercial loans							
0 days	4,025,483	413,280	884,986	189,354	11,484	5,524,587	28,966
1 to 29 days	17,392	13,645	52,090	10,203	2,471	95,801	65
30 to 59 days	18,628	3,594	30,087	7,410	1,882	61,601	73
60 to 89 days	–	1,885	487	13,815	1,358	17,545	–
>= 90 days	–	–	–	101,301	16,775	118,076	–
Subtotal	**4,061,503**	**432,404**	**967,650**	**322,083**	**33,970**	**5,817,610**	**29,104**
Mortgage loans							
0 days	–	966,789	–	–	1,630	968,419	–
1 to 29 days	–	17,402	–	–	1,178	18,580	–
30 to 59 days	–	6,785	–	–	724	7,509	–
60 to 89 days	–	1,015	–	–	611	1,626	–
>= 90 days	–	–	–	–	8,002	8,002	–
Subtotal	–	991,991	–	–	12,145	1,004,136	–
Consumer loans							
0 days	–	424,647	–	–	5,903	430,550	–
1 to 29 days	–	8,581	–	–	2,457	11,038	–
30 to 59 days	–	2,785	–	–	1,291	4,076	–
60 to 89 days	–	748	–	–	2,114	2,862	–
>= 90 days	–	–	–	–	5,322	5,322	–
Subtotal	–	436,761	–	–	17,087	453,848	–
Total loans	**4,061,503**	**1,861,156**	**967,650**	**322,083**	**63,202**	**7,275,594**	**29,104**

Allowances Recognized							Net Financial Assets
Normal Portfolio	Substandard Portfolio	Default Portfolio		Subtotal	FOGAPE COVID-19 Guarantee Deductible	Total	
Assessment	Assessment	Assessment					
Group	Individual	Individual	Group				
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2,963	15,860	52,155	2,115	102,059	–	102,059	5,422,528
442	429	446	482	1,864	–	1,864	93,937
269	46	1,176	415	1,979	–	1,979	59,622
165	56	1,547	538	2,306	–	2,306	15,239
–	–	31,036	5,289	36,325	776	37,101	80,975
3,839	**16,391**	**86,360**	**8,839**	**144,533**	**776**	**145,309**	**5,672,301**
887	–	–	40	927	–	927	967,492
140	–	–	27	167	–	167	18,413
87	–	–	18	105	–	105	7,404
18	–	–	12	30	–	30	1,596
–	–	–	191	191	–	191	7,811
1,132	–	–	288	1,420	–	1,420	1,002,716
11,409	–	–	3,014	14,423	–	14,423	416,127
1,132	–	–	1,241	2,373	–	2,373	8,665
591	–	–	641	1,232	–	1,232	2,844
173	–	–	1,170	1,343	–	1,343	1,519
–	–	–	3,002	3,002	–	3,002	2,320
13,305	–	–	9,068	22,373	–	22,373	431,475
18,276	**16,391**	**86,360**	**18,195**	**168,326**	**776**	**169,102**	**7,106,492**

NOTE 14 – INVESTMENTS IN OTHER COMPANIES

In implementing the new CNCB as of January 1, 2022, Banco Security and its subsidiaries have decided to take the irrevocable option of paragraph 5.7.5 of IFRS 9 for investments in equity instruments over which it does not have significant influence. Thus, it presents changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income. The instruments that fall under this category are detailed below:

	Ownership Interest		As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
	2023	2022		
Imer Otc Sa	6,89	6,89	978	952
Bolsa de Comercio de Santiago	–	–	–	–
Bolsa Electrónica	–	–	–	–
Combanc S.A.	4,41	4,41	343	324
Depósitos Central de Valores S.A.	3,60	3,60	303	261
Other investments in other companies	–	–	952	933
Total investments in other companies			**2,576**	**2,470**

As of December 31, 2023, investments in other companies correspond to shares and rights in business support companies valued at cost.

This decision was made because the Bank's minority investments are unlisted special purpose companies for banking and only shares are transferred between investors at book value. They are accounted for at equity method value less impairment, if any.

NOTE 15 – INTANGIBLE ASSETS

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

	As of December 31, 2023 (MCH$)	As of December 31, 2022 (MCH$)
Software or computer programs	37,763	26,227
Goodwill	9,209	13,039
Total intangible assets	**46,972**	**39,266**

NOTE 15 – INTANGIBLE ASSETS (CONTINUED)

These concepts are as follows:

a) Software or computer programs

A.1) Intangible assets held by the Bank and its subsidiaries as of December 31, 2023 and 2022, correspond to in-house developments which are in production or staging:

	Average Useful Life		Average Remaining Life (Years)		Gross Assets		Accumulated Amortization		Net Assets	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
Type of Intangible Asset:					MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Acquired	-	-	-	-	-	-	-	-	-	-
Developed in-house	8,05	9,67	7,64	8,17	80,550	72,096	(42,787)	(45,869)	37,763	26,227
Total					**80,550**	**72,096**	**(42,787)**	**(45,869)**	**37,763**	**26,227**

A.1) Intangible assets held by the Bank and its subsidiaries as of December 31, 2023 and 2022, correspond to in-house developments which are in production or staging:

	Changes in Intangible Assets			
	Intangible Assets		Accumulated Amortization MCH$	Total MCH$
	Acquired MCH$	Developed in-house MCH$		
Balance as of January 1, 2022	**-**	**69,764**	**(42,743)**	**27,021**
Additions	-	1,939	-	1,939
Transfer to intangible assets in operation	-	1,018	-	1,018
Derecognition	-	(625)	465	(160)
Amortization for the year	-	-	(3,591)	(3,591)
Impairment for the year	-	-	-	-
Balance as of December 31, 2022	**-**	**72,096**	**(45,869)**	**26,227**
Balance as of January 1, 2023	**-**	**72,096**	**(45,869)**	**26,227**
Additions	-	27	-	27
Transfer to intangible assets in operation	-	17,711	-	17,711
Low	-	(9,284)	6,154	(3,130)
Amortization for the year	-	-	(3,072)	(3,072)
Impairment for the year	-	-	-	-
Balance as of December 31, 2023	**-**	**80,550**	**(42,787)**	**37,763**

NOTE 15 – INTANGIBLE ASSETS

b) Goodwill

B.1) Goodwill as of December 31, 2023 and 2022, is detailed as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Goodwill	9,209	9,209
Total	**9,209**	**9,209**

B.2) Changes in goodwill for the period between January 1, 2023 and December 31, 2023, are as follows:

	Changes in Goodwill As of December 31, 2023 MCH$				
	Net Opening Balance	Additions	Impairment Losses Recognized in Equity	Impairment Losses Recognized in Profit (Loss)	Net Closing Balance
Goodwill Administradora General de Fondos Security S.A.	9,209	–	–	–	9,209
Total	**9,209**	**-**	**-**	**-**	**9,209**

NOTE 16 – PROPERTY, PLANT AND EQUIPMENT

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

	Buildings and Land			Equipment			Other PP&E			Net Assets
	Gross Assets	Accumulated		Gross Assets	Accumulated		Gross Assets	Accumulated		
		Depreciation	Impairment		Depreciation	Impairment		Depreciation	Impairment	
	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Balance as of January 1, 2022	**20,599**	**(5,899)**	**–**	**10,225**	**(9,216)**	**–**	**17,531**	**(13,273)**	**–**	**19,967**
Additions	–	–	–	367	–	–	155	–	–	522
Disposals / derecognition	–	–	–	(79)	–	–	–	–	–	(79)
Depreciation for the year	–	(311)	–	–	(652)	–	–	(651)	–	(1,614)
Reclassifications for the year	–	–	–	–	–	–	625	(526)	–	99
Impairment for the year	–	–	–	–	–	–	–	–	–	–
Balance as of December 31, 2022	**20,599**	**(6,210)**	**-**	**10,513**	**(9,868)**	**-**	**18,311**	**(14,450)**	**-**	**18,895**
Balance as of January 1, 2023	**20,599**	**(6,210)**	**–**	**10,513**	**(9,868)**	**–**	**18,311**	**(14,450)**	**–**	**18,895**
Additions	–	–	–	320	–	–	599	–	–	919
Disposals / derecognition	(93)	–	–	(89)	–	–	(2,101)	–	–	(2,283)
Depreciation for the year	–	(223)	–	–	(387)	–	–	279	–	(331)
Reclassifications for the year	–	–	–	–	–	–	–	–	–	–
Impairment for the year	–	–	–	–	–	–	–	–	–	–
Balances as of December 31, 2023	**20,506**	**(6,433)**	**-**	**10,744**	**(10,255)**	**-**	**16,809**	**(14,171)**	**-**	**17,200**

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

Right-of-use leased assets:

The detail of right-of-use leased assets as of December 31, 2023 and 2022, is as follows:

As of December 31, 2023	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$
Right-of-use leased asset	151	300	1,297	3,033	2,161	3,987	10,929
Total	**151**	**300**	**1,297**	**3,033**	**2,161**	**3,987**	**10,929**

As of December 31, 2022	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$
Right-of-use leased asset	152	304	1,392	2,510	1,474	529	6,361
Total	**152**	**304**	**1,392**	**2,510**	**1,474**	**529**	**6,361**

Changes in right-of-use leased assets during the year ended December 31, 2023, are as follows:

	Property and Plant	Depreciation	Leasehold Improvements	Equipment	Other	Total
	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$
Balance as of January 1, 2022	**12,138**	**(4,740)**	**–**	**–**	**–**	**7,398**
Additions	–	–	–	–	–	0
Disposals / Derecognition	(1,181)	991	–	–	–	(190)
Depreciation for the year	–	(1,754)	–	–	–	(1,754)
Other	907	–	–	–	–	907
Balances as of December 31, 2022	**11,864**	**(5,503)**	**-**	**-**	**-**	**6,361**
Balance as of January 1, 2023	**11,864**	**(5,503)**	**–**	**–**	**–**	**6,361**
Additions	7,922	–	–	–	–	7,922
Disposals / Derecognition	(2,689)	709	–	–	–	(1,980)
Depreciation for the year	–	(1,849)	–	–	–	(1,849)
Other	475	–	–	–	–	475
Balances as of December 31, 2023	**17,572**	**(6,643)**	**-**	**-**	**-**	**10,929**

NOTE 17 – RIGHT-OF-USE LEASED ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities

Lease liabilities as of December 31, 2023 and 2022, are as follows:

Liabilities for right-of-use leased assets

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Lease liabilities	6,725	7,759
Lease installments paid	(2,213)	(1,985)
Other	7,001	951
Balances as of December 31, 2023	**11,513**	**6,725**

The composition and maturities of lease liabilities as of December 31, 2023 and 2022, are as follows:

As of December 31, 2023	Maturity of Lease Payments						
	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$
Lease payments	133	266	1,174	2,912	2,209	4,819	11,513
Total	**133**	**266**	**1,174**	**2,912**	**2,209**	**4,819**	**11,513**

As of December 31, 2022	Maturity of Lease Payments						
	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$
Lease payments	151	305	1,363	2,652	1,641	613	6,725
Total	**151**	**305**	**1,363**	**2,652**	**1,641**	**613**	**6,725**

NOTE 18 – CURRENT AND DEFERRED TAXES

a) Current taxes

Current tax assets and liabilities as of December 31, 2023 and 2022, are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Current income taxes	(55,208)	(30,572)
Tax on disallowed expenses (40%)	(52)	-
Less:		
Monthly provisional tax payments	26,757	44,475
Credits for training expenses	372	269
Other	-	26
Total	**(28,131)**	**14,198**
Income taxes payable	-	193
Current tax liability	**(28,131)**	**193**
Balance of current tax liability		
Recoverable taxes for the year	56	327
Recoverable taxes from prior years	1,838	2,014
Reclassification of debit balance	-	14,391
Current tax asset	**1,894**	**16,732**

b) Income tax expense

The Bank's tax expense recognized for the years ended December 31, 2023 and 2022, is as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Income tax expense:		
Current year taxes	(55,208)	(30,544)
Single tax for the year	(142)	(98)
Tax expense adjustment (prior period)	1,346	(2,507)
Subtotal	(54,004)	(33,149)
Credit (charge) for deferred taxes:		
Origin and reversal of temporary differences	13,709	15,921
Effect of change in tax rate	-	-
Effective income tax rate and income tax expense	**(40,295)**	**(17,228)**

NOTE 18 – CURRENT AND DEFERRED TAXES (CONTINUED)

c) Deferred taxes

The table below details deferred taxes arising from the following temporary differences:

c.1) Effect of deferred taxes on equity:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Investments available for sale	(3,790)	(997)
Tax goodwill	–	314
Cash flow hedge	656	(1,184)
FV adjustment DPV third-party bonds	(144)	110
FV adjustment DPV Security bonds	(46)	80
Other	(367)	(44)
Total	**(3,691)**	**(1,721)**

c.2) Effect of deferred taxes:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Deferred tax assets:		
Global portfolio allowances	53,471	48,169
Goodwill portfolio allowances	(183)	50
Vacation and other provisions	1,542	1,471
Fair value investments	1,506	715
Contingency provisions	1	1
Global provisions on repossessed assets	759	116
Projects and development	1,019	1,022
Suspended interest	2,931	2,775
Other	18,872	15,393
Total deferred tax assets through profit and loss	**79,918**	**69,712**
Effect on equity (Security bonds available for sale)	(46)	80
Effect on equity (third-party bonds available for sale)	(144)	110
Effect on equity (debtor balance)	(367)	270
Total deferred tax assets	**79,361**	**70,172**
Deferred tax liabilities:		
Assets for leasing		
Lease agreements	15,377	12,277
Depreciation of property, plant and equipment	(4,683)	(4,935)
Effective rate	-	(179)
Deferred revenue and expenses	(4,247)	(5,605)
Projects and development	(1,019)	(1,022)
Other	(730)	660
Total deferred tax liabilities through profit and loss	**4,698**	**1,196**
Effect on equity (creditor balance)	(3,134)	(2,181)
Total deferred tax liabilities	**1,564**	**(985)**
Total asset through profit and loss	**84,616**	**70,908**
Total net deferred tax assets	**80,925**	**69,187**

NOTE 18 – CURRENT AND DEFERRED TAXES (CONTINUED)

RECONCILIATION OF TAX RATES

The following table reconciles the income tax rate to the effective rate applied to determine the Bank's income tax expense as of December 31, 2023 and 2022.

	As of December 31, 2023 MCH$		As of December 31, 2022 MCH$	
	Tax Rate	Amount MCH$	Tax Rate	Amount MCH$
Profit before tax	27.0%	(58,581)	27.0%	(43,092)
Permanent differences				
Price-level restatement, tax equity	-6.2%	13,436	-19.8%	31,628
Proportional equity value of investments in subsidiaries	-1.3%	2,802	-2.5%	4,052
Instruments under Arts. 104, 107 and 108 Income Tax Act	-0.8%	1,820	2.4%	(3,904)
Price-level restatement investments in subsidiaries	0.3%	(722)	1.1%	(1,764)
Goodwill	0.3%	(754)	0.1%	(169)
Dividends received	-0.1%	238	-0.1%	125
Other	-0.1%	262	0.9%	(1,499)
Additions or deductions				
Taxes of Art. 21 (rate 40%) and 107 (rate 10%)	0.1%	(142)	0.1%	(97)
Amortization of deferred tax complementary accounts	0.0%		0.0%	
Non-deductible expenses (financial, non-tax expenses)	0.0%		0.0%	
Prior period adjustments	-0.6%	1,346	1.6%	(2,508)
Effect of change in tax rate	0.0%		0.0%	
Other	0.0%		0.0%	
Effective rate and income tax expense	**18.6%**	**(40,295)**	**10.8%**	**(17,228)**

Deferred taxes arising from temporary differences and other events that generate differences between the carrying amount for financial reporting purposes and tax bases of assets and liabilities are recorded in accordance with IAS 12 Income Taxes.

NOTE 18 – CURRENT AND DEFERRED TAXES (CONTINUED)

d) Joint Guidance from CMF Ruling 3,478 and Chilean Internal Revenue Service Ruling 47

The tax treatment of allowances, write-offs, renegotiations and remissions of loans granted by the Bank (excluding subsidiaries) as of December 31, 2023 and 2022, is as follows:

d.1) Customer loans and receivables as of December 31, 2023 and 2022:

	Assets at Carrying Amount		Assets at Tax Value					
			Total		Secured NPL Portfolio		Unsecured NPL Portfolio	
	December 31, 2023 MCH$	December 31, 2022 MCH$	December 31, 2023 MCH$	December 31, 2022 MCH$	December 31, 2023 MCH$	December 31, 2022 MCH$	December 31, 2023 MCH$	December 31, 2022 MCH$
Commercial loans	5,240,424	5,352,856	5,251,778	5,362,890	68,557	49,664	13,707	6,432
Consumer loans	477,773	453,848	477,773	453,848	251	132	2,773	2,257
Mortgage loans	1,127,837	1,002,711	1,127,837	1,002,711	436	524	25	–
Loans and advances to banks	–	–	–	–	–	–	–	–
Total	**6,846,034**	**6,809,415**	**6,857,388**	**6,819,449**	**69,244**	**50,320**	**16,505**	**8,689**

d.2) Allowances for NPL portfolio:

	Balance as of January 1,		Write-offs against Allowances		Allowances Recognized		Reversal of Allowances		Balance as of December 31,	Balance as of December 31,
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$
Commercial loans	6,432	18,027	866	4,699	11,823	7,326	3,682	–	13,707	20,654
Consumer loans	2,257	1,307	572	2,117	2,765	2,590	1,677	–	2,773	1,780
Mortgage loans	–	–	–	–	25	–	–	–	25	–
Loans and advances to banks	–	–	–	–	–	–	–	–	–	–
Total	**8,689**	**19,334**	**1,438**	**6,816**	**14,613**	**9,916**	**5,359**	**-**	**16,505**	**22,434**

d.3) Write-offs, cancellations and collection:

Direct write-offs and collection	Balance as of December 31, 2023	Balance as of December 31, 2022
	MCH$	MCH$
Direct write-offs Art. 31, No. 4, section two	52,199	25,852
Cancellations that resulted in reversals of allowances	–	–
Collection or renegotiation of written-off loans	2,105	1,629

NOTE 19 – OTHER ASSETS

As of December 31, 2023 and 2022, other assets are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Assets to be leased in financial leases as lessor		
Commercial portfolio	15,086	18,324
Mortgage portfolio	-	-
Consumer portfolio	-	-
Subtotal	**15,086**	**18,324**
Cash guarantees for derivative financial transactions		
Cash guarantees for derivative financial transactions with a domestic central counterparty	7,147	5,713
Cash guarantees for derivative financial transactions with a foreign central counterparty	-	-
Cash guarantees for derivative financial transactions with other domestic counterparties	16,886	10,512
Cash guarantees for derivative financial transactions with other foreign counterparties	223	217
Subtotal	**24,256**	**16,442**
Receivables from brokerage of financial instruments		
Receivables from brokerage of forward transactions	6,873	5,820
Receivables from brokerage of forward transactions (simultaneous)	12,484	8,402
Other receivables from brokerage of financial instruments	-	-
Subtotal	**19,357**	**14,222**
Receivables for the use of prepaid cards		
Subtotal	**-**	**-**
Receivables from third parties		
Other accounts and notes receivable from third parties	6,359	12,552
Subtotal	**6,359**	**12,552**
Receivables from subsidiaries for services rendered (applies only to standalone bank)	**2,401**	**1,975**
Investment property		
Subtotal	**-**	**-**
VAT receivable	1,324	1,549
Prepaid expenses	642	2,676
Valuation adjustments for macro hedges	-	-
Assets to support obligations for post-employment defined benefit plans	-	-
Assets for operating revenue from contracts with customers	221	224
Investments in gold	-	-
Other cash collateral provided	107	102
Pending transactions	249	44
Other assets	4,245	5,977
Accumulated impairment of other assets receivable		
Other assets without a significant increase in credit risk since initial recognition (phase 1)	-	-
Other assets with a significant increase in credit risk since initial recognition, but no credit impairment (phase 2)	-	-
Other assets with credit impairment (phase 3)	-	-
Subtotal	**-**	**-**
Total other assets	**74,247**	**74,087**

Leased assets include assets available for finance leases.
The Bank does not have any property, plant and equipment available for sale that should be presented in this account.

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

As of December 31, 2023 and 2022, non-current assets and disposal groups held for sale are detailed as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Assets repossessed or awarded at judicial auction		
Repossessed assets	12,338	1,279
Assets awarded at judicial auction	10,561	5,896
Provisions for assets repossessed or awarded at judicial auction	(3,376)	(528)
Subtotal	**19,523**	**6,647**
Non-current assets held for sale		
Investments in other companies	-	-
Intangible assets	-	-
Property, plant and equipment	-	-
Recovery of assets under finance leases	18,822	17,922
Other assets	-	-
Subtotal	**18,822**	**17,922**
Disposal groups held for sale	**-**	**-**
Total non-current assets and disposal groups held for sale	**38,345**	**24,569**
Total liabilities included in disposal groups held for sale	**0**	**0**

NOTE 21 – FINANCIAL LIABILITIES HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT AND LOSS

a) Financial derivative instruments

As of December 31, 2023 and 2022, financial derivative instruments are detailed as follows.

December 2023

	Notional Amount of Contract Maturing in							Fair Value of Liabilities
	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Currency forwards	–	495,017	251,839	319,821	122,174	4,834	–	61,750
Interest rate swaps	–	87	258,819	189,049	530,182	309,670	412,256	36,946
Currency swaps	–	5	1,502	71,504	292,906	121,723	322,057	60,284
Interest rate call options	–	–	–	–	–	–	–	25
Interest rate put options	–	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Total liabilities for financial derivatives	**-**	**495,109**	**512,160**	**580,374**	**945,262**	**436,227**	**734,313**	**159,005**

December 2022

	Notional Amount of Contract Maturing in							Fair Value of Liabilities
	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Currency forwards	–	2,579	51,842	114,864	74,668	9,334	–	113,646
Interest rate swaps	–	25,455	36,328	640,021	585,290	350,053	515,575	57,096
Currency swaps	–	5,990	6,080	124,030	179,905	171,333	300,954	69,804
Interest rate call options	–	–	–	–	–	–	–	16
Interest rate put options	–	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Total liabilities for financial derivatives	**-**	**34,024**	**94,250**	**878,915**	**839,863**	**530,720**	**816,529**	**240,562**

b) Other

As of December 31, 2023 and 2022, the Bank and its subsidiaries have no other financial liabilities held for trading at fair value through profit or loss.

NOTE 22 – FINANCIAL LIABILITY AT AMORTIZED COST

Obligations for deposits held by the Bank are classified as demand or term deposits, detailed as follows:

a) Current accounts and other demand deposits

As of December 31, 2023 and 2022, current accounts and other demand deposits are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Current accounts:		
Current accounts of domestic banks	-	-
Current accounts of foreign banks	-	-
Current accounts of other legal entities	566,770	618,818
Current accounts of individuals	202,216	208,644
Subtotal	768,986	827,462
Demand accounts		
Demand savings accounts	-	-
Demand accounts	13,177	16,575
Subtotal	13,177	16,575
Other demand deposits		
Cashier's checks	32,478	39,298
Subtotal	32,478	39,298
Obligations for prepaid cards		
Prepaid card accounts - specified debtor	-	-
Prepaid card accounts - unspecified debtor	-	-
Subtotal	-	-
Other demand balances payable:		
Student loans payable to educational institutions	-	-
Mortgage loans payable to other banks and/or real estate developers	-	-
Obligations for other loans granted to be disbursed to other banks and/or the loan beneficiary	-	-
Deposits for court allocations	-	-
Performance bonds payable on demand	14,019	22,200
Collections made but not yet received	14,605	15,029
Pending payment orders	8,420	11,382
Court withholding on demand obligations	1,195	1,082
Payments received for loans to be settled	6,937	6,645
Frozen assets (art 156 of General Banking Law)	3,222	3,688
Expired term deposits	4,028	3,404
Past-due obligations for prepaid cards - unspecified debtor	-	-
Obligations without movements for prepaid cards	-	-
Other demand balances	101,820	141,682
Subtotal	154,246	205,112
Total current accounts and other demand deposits	**968,887**	**1,088,447**

NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST (CONTINUED)

b) Savings accounts and other term deposits

Savings accounts and other term deposits as of December 31, 2023 and 2022, classified by maturity are as follows:

December 2023	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$
Term deposits								
Domestic banks	–	–	27,605	64,596	12,588	–	–	104,789
Foreign banks	–	–	–	–	–	–	–	–
Other legal entities	34,926	741,063	433,041	1,040,296	71,809	–	–	2,321,135
Individuals	16,893	378,517	88,145	41,008	591	–	–	525,154
Subtotal	**51,819**	**1,119,580**	**548,791**	**1,145,900**	**84,988**	**–**	**–**	**2,951,078**
Term savings accounts								
Term savings accounts – deferred withdrawal	–	–	–	–	–	–	–	–
Term savings accounts – unconditional withdrawal	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other term balances payable								
Performance and bid bonds payable with 30 days' notice	–	–	–	–	–	–	–	–
Overnight deposits	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**51,819**	**1,119,580**	**548,791**	**1,145,900**	**84,988**	**-**	**-**	**2,951,078**

December 2022	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$
Term deposits								
Domestic banks	–	15,963	4,937	–	–	–	–	20,900
Foreign banks	–	–	–	–	–	–	–	–
Other legal entities	24,520	480,200	702,204	757,324	61,079	3	–	2,025,330
Individuals	10,058	269,805	85,349	37,837	1,240	–	–	404,289
Subtotal	**34,578**	**765,968**	**792,490**	**795,161**	**62,319**	**3**	**–**	**2,450,519**
Term savings accounts								
Term savings accounts – deferred withdrawal	–	–	–	–	–	–	–	–
Term savings accounts – unconditional withdrawal	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other term balances payable								
Performance and bid bonds payable with 30 days' notice	–	–	–	–	–	–	–	–
Overnight deposits	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**34,578**	**765,968**	**792,490**	**795,161**	**62,319**	**3**	**-**	**2,450,519**

NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST (CONTINUED)

c) Receivables/payables from repurchase agreements and securities borrowing/lending

The Bank sells financial instruments under agreements to repurchase them at a future date plus preset interest. As of December 31, 2023 and 2022, obligations with repurchase commitments, classified by type of debtor and maturity, are as follows:

December 2023	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$
Transactions with domestic banks							
Repurchase agreements with other banks	–	–	–	–	–	–	–
Repurchase agreements with the Chilean Central Bank	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with foreign banks							
Repurchase agreements with other banks	–	–	–	–	–	–	–
Repurchase agreements with foreign central banks	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		–					
Transactions with other domestic entities							
Repurchase agreements	16,944	–	–	–	–	–	16,944
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**16,944**	**–**	**–**	**–**	**–**	**–**	**16,944**
Transactions with other foreign entities							
Repurchase agreements	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**16,944**	**-**	**-**	**-**	**-**	**-**	**16,944**

NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST (CONTINUED)

December 2022	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$
Transactions with domestic banks							
Repurchase agreements with other banks	7,172	–	–	–	–	–	7,172
Repurchase agreements with the Chilean Central Bank	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**7,172**	**–**	**–**	**–**	**–**	**–**	**7,172**
Transactions with foreign banks							
Repurchase agreements with other banks	–	–	–	–	–	–	–
Repurchase agreements with foreign central banks	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with other domestic entities							
Repurchase agreements	200	–	–	–	–	–	200
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**200**	**–**	**–**	**–**	**–**	**–**	**200**
Transactions with other foreign entities							
Repurchase agreements	–	–	–	–	–	–	–
Obligations for securities loans	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**7,372**	**-**	**-**	**-**	**-**	**-**	**7,372**

The instruments that guarantee the obligation for these repurchase agreements are included in the portfolio of financial instruments held for trading.

NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST (CONTINUED)

d) Borrowings from financial institutions

As of December 31, 2023 and 2022, borrowings from financial institutions are as follows:

December 2023	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$
Domestic banks								
Foreign trade financing	–	–	–	–	–	–	–	–
Borrowings and other obligations	1,742	–	–	–	–	–	–	1,742
Subtotal	**1,742**	**–**	**–**	**–**	**–**	**–**	**–**	**1,742**
Foreign banks								
Foreign trade financing	–	22,841	56,496	93,154	–	–	–	172,491
Borrowings and other obligations	–	9,547	13,619	107,286	–	–	–	130,452
Subtotal	**–**	**32,388**	**70,115**	**200,440**	**–**	**–**	**–**	**302,943**
Chilean Central Bank	**–**	**–**	**–**	**1,188,487**	**–**	**–**	**–**	**1,188,487**
Foreign central banks	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**1,742**	**32,388**	**70,115**	**1,388,927**	**-**	**-**	**-**	**1,493,172**

December 2022	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$	MCH$
Domestic banks								
Foreign trade financing	–	–	–	–	–	–	–	–
Borrowings and other obligations	1,294	–	–	–	–	–	–	1,294
Subtotal	**1,294**	**–**	**–**	**–**	**–**	**–**	**–**	**1,294**
Foreign banks								
Foreign trade financing	–	25,908	137,892	56,922	–	–	–	220,722
Borrowings and other obligations	–	1,481	39,243	61,900	–	–	–	102,624
Subtotal	**–**	**27,389**	**177,135**	**118,822**	**–**	**–**	**–**	**323,346**
Chilean Central Bank	**–**	**–**	**–**	**–**	**1,188,472**	**–**	**–**	**1,188,472**
Foreign central banks	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**1,294**	**27,389**	**177,135**	**118,822**	**1,188,472**	**-**	**-**	**1,513,112**

NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST (CONTINUED)

e) Debt financing instruments issued

Debt instruments issued as of December 31, 2023 and 2022, are detailed by maturity in the following table:

December 2023	On Demand	Under One Month	One to Three Months	Three Months to One Year	More than 1 year to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$
Mortgage bonds								
Mortgage bonds for residential purposes	–	5	–	–	198	64	59	326
Mortgage bonds for general purposes	–	–	–	–	313	1	–	314
Subtotal	**–**	**5**	**–**	**–**	**511**	**65**	**59**	**640**
Bonds								
Senior bonds	382	184,553	–	468,012	908,915	721,413	1,099,909	3,383,184
Subtotal	**382**	**184,553**	**–**	**468,012**	**908,915**	**721,413**	**1,099,909**	**3,383,184**
Total	**382**	**184,558**	**-**	**468,012**	**909,426**	**721,478**	**1,099,968**	**3,383,824**

December 2022	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Mortgage bonds								
Mortgage bonds for residential purposes	36	–	–	18	144	250	63	511
Mortgage bonds for general purposes	18	–	45	139	250	54	–	506
Subtotal	**54**	**–**	**45**	**157**	**394**	**304**	**63**	**1,017**
Bonds								
Senior bonds	–	–	338	394,737	1,090,186	637,088	1,134,809	3,257,158
Subtotal	**–**	**–**	**338**	**394,737**	**1,090,186**	**637,088**	**1,134,809**	**3,257,158**
Total	**54**	**-**	**383**	**394,894**	**1,090,580**	**637,392**	**1,134,872**	**3,258,175**

NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST (CONTINUED)

f) Other financial obligations

As of December 31, 2023 and 2022, other financial obligations are detailed as follows.

December 2023	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Other financial obligations with the public sector								
CORFO financing	–	–	4	85	502	16,106	2,048	18,745
Obligations to other governmental agencies	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**4**	**85**	**502**	**16,106**	**2,048**	**18,745**
Other financial obligations in Chile	9,835	–	–	–	–	–	–	9,835
Other financial obligations abroad	–	–	–	–	–	–	–	–
Subtotal	**9,835**	**–**	**–**	**–**	**–**	**–**	**–**	**9,835**
Total	**9,835**	**-**	**4**	**85**	**502**	**16,106**	**2,048**	**28,580**

December 2022	On Demand	Under One Month	One to Three Months	Three Months to One Year	One to Three Years	Three to Five Years	More than Five Years	Total
	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$
Other financial obligations with the public sector								
CORFO financing	–	3	12	137	651	251	17,392	18,446
Obligations to other governmental agencies	–	–	–	–	–	–	–	–
Subtotal	**–**	**3**	**12**	**137**	**651**	**251**	**17,392**	**18,446**
Other financial obligations in Chile	13,934	–	–	–	–	–	–	13,934
Other financial obligations abroad	–	–	–	–	–	–	–	–
Subtotal	**13,934**	**–**	**–**	**–**	**–**	**–**	**–**	**13,934**
Total	**13,934**	**3**	**12**	**137**	**651**	**251**	**17,392**	**32,380**

NOTE 23 – REGULATORY CAPITAL FINANCIAL INSTRUMENTS ISSUED

a) As of each period end, this account is detailed as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Subordinated bonds with transitional recognition	–	–
Subordinated bonds	401,095	392,467
Bonds with no fixed maturity	–	–
Preferential shares	–	–
Total	**401,095**	**392,467**

b) As of December 31, 2023 and 2022, no subordinated bonds have been issued.

	Subordinated bonds MCH$
Balance as of January 1, 2022	**359,320**
Issuances	–
Interest accrued	(3,274)
Interest and indexation payments to the holder	–
Principal payments to the holder	(74,729)
Accrued indexation for UF variation	111,150
Balance as of December 31, 2022	**392,467**
Balance as of January 1, 2023	**392,467**
Issuances	–
Interest accrued	(4,439)
Interest and indexation payments to the holder	–
Principal payments to the holder	(107,508)
Accrued indexation for UF variation	120,575
Balance as of December 31, 2023	**401,095**

NOTE 23 – REGULATORY CAPITAL FINANCIAL INSTRUMENTS ISSUED (CONTINUED)

c) Subordinated bonds due as of December 31, 2023 and 2022, are as follows:

As of December 31, 2023						
Series	Currency	Amount in Issuing Currency	Rate %	Registration Date	Maturity Date	Balance Due MCH$
S1	UF	1,200,000	4.00%	May-08-2006	May-01-2028	14,283
J1	UF	3,000,000	3.00%	Jan-25-2010	Dec-01-2031	43,371
J2	UF	3,000,000	4.00%	Apr-25-2014	Mar-01-2037	111,821
J3	UF	3,000,000	4.00%	Nov-11-2013	Oct-01-2038	92,879
J4	UF	5,000,000	2.90%	Jan-07-2019	Oct-01-2048	114,869
				Total subordinated bonds due		377,223

As of December 31, 2022						
Series	Currency	Amount in Issuing Currency	Rate %	Registration Date	Maturity Date	Balance Due MCH$
S1	UF	1,200,000	4.00%	May-08-2006	May-01-2028	17,677
J1	UF	3,000,000	3.00%	Jan-25-2010	Dec-01-2031	45,342
J2	UF	3,000,000	4.00%	Apr-25-2014	Mar-01-2037	95,183
J3	UF	3,000,000	4.00%	Nov-11-2013	Oct-01-2038	79,319
J4	UF	5,000,000	2.90%	Jan-07-2019	Oct-01-2048	98,356
				Total subordinated bonds due		335,877

NOTE 24 – PROVISIONS FOR CONTINGENCIES

a) As of December 31, 2023 and 2022, the Bank and its subsidiaries recorded the following provisions:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Provisions for employee benefit obligations		
Provision for short-term employee benefits	5,919	5,684
Provision for post-employment employee benefits	–	–
Provision for long-term employee benefits	–	–
Provision for employee termination benefits	–	–
Provision for payments to employees based on shares or equity instruments	–	–
Provision for post-employment defined contribution	–	–
Provision for post-employment defined benefits	–	–
Provision for other personnel obligations	15,765	13,921
Subtotal	**21,684**	**19,605**
Provisions for restructuring plans	–	–
Provisions for lawsuits and litigation	6	6
Provisions for obligations for customer loyalty and merit-based programs	9,178	5,257
Provisions for other contingencies	2,758	803
Total provisions for contingencies	**33,627**	**25,671**

In the opinion of the Bank's management, the provisions recorded cover all potential losses that may arise from not recovering assets, based on the information examined by the Bank and its subsidiaries.

NOTE 25 – PROVISIONS FOR DIVIDENDS, INTEREST PAYMENTS AND REPRICING OF REGULATORY CAPITAL FINANCIAL INSTRUMENTS

Minimum dividend provisions as of December 31, 2023 and 2022, are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Dividend provisions	53,001	42,710
Total minimum dividend provision	**53,001**	**42,710**

The changes in the balance of provisions for dividends, interest payments and repricing of regulatory capital financial instruments issued as of December 31, 2023 and 2022, are as follows:

	Dividend provisions	Provisions for interest on perpetual bonds	Provision for reappraisal of perpetual bonds	Total
	MCH$	MCH$	MCH$	MCH$
Balance as of January 1, 2022	**23,138**	**–**	**–**	**23,138**
Provisions recognized	42,710	–	–	42,710
Provisions used	(23,138)	–	–	(23,138)
Reversal of provisions	–	–	–	–
Balances as of December 31, 2023	**42,710**	**-**	**-**	**42,710**
Balance as of January 1, 2023	**42,710**	**–**	**–**	**42,710**
Provisions recognized	53,001	–	–	53,001
Provisions used	(42,710)	–	–	(42,710)
Reversal of provisions	–	–	–	–
Balance as of December 31, 2023	**53,001**	**-**	**-**	**53,001**

NOTE 26 – SPECIAL ALLOWANCES FOR LOAN LOSSES

As of December 31, 2023 and 2022, the composition of the balance of special allowances for loan losses is as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Allowances on contingent loans		
Guarantees and pledges	680	198
Letters of credit for movement of goods transactions	47	9
Transactions related to contingent events	3,127	3,369
Undrawn lines of credit	2,206	1,863
Other credit commitments	888	922
Undrawn lines of credit with immediate cancellation	1,494	1,436
Other contingent loans	–	–
Subtotal	**8,442**	**7,797**
Allowances for country risk for transactions with debtors domiciled abroad	857	769
	–	**–**
Additional allowances for loan losses		
Additional allowances for loan losses – commercial loans	12,000	10,500
Additional allowances for loan losses – mortgage loans	2,000	1,000
Additional allowances for loan losses – consumer loans	11,000	9,500
Subtotal	**25,000**	**21,000**
Allowances for adjustments to the minimum required allowance for standard portfolio with individual assessment		
Adjustment to minimum allowance for loans and advances to domestic banks	–	–
Adjustment to minimum allowance for domestic commercial loans	–	–
Adjustment to minimum allowance for domestic contingent loans	–	–
Adjustment to minimum allowance for loans and advances to foreign banks	–	–
Adjustment to minimum allowance for foreign commercial loans	–	–
Adjustment to minimum allowance for foreign contingent loans	–	–
Subtotal	**–**	**–**
Allowances for loan losses as a result of complementary prudential requirements		
Allowances on commercial loans	–	–
Allowances on mortgage loans	–	–
Allowances on consumer loans	–	–
Subtotal	**–**	**–**
Total	**34,299**	**29,566**

NOTE 27 – OTHER LIABILITIES

Other liabilities as of December 31, 2023 and 2022, are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Cash guarantees received for derivative financial transactions		
Cash guarantees received for derivative financial transactions with a domestic central counterparty	565	2,483
Cash guarantees received for derivative financial transactions with a foreign central counterparty	-	-
Cash guarantees received for derivative financial transactions with other domestic counterparties	25,820	46,999
Cash guarantees received for derivative financial transactions with other foreign counterparties	-	-
Subtotal	**26,385**	**49,482**
Creditors from brokerage of financial instruments		
Payables for brokerage of forward transactions	6,856	5,811
Payables for brokerage of forward transactions (simultaneous)	5,921	4,078
Other payables for brokerage of financial instruments	-	-
Subtotal	12,777	9,889
Third-party payables		
Payables for employee benefit obligations	-	-
Payables for employee social security contributions and taxes	1,599	1,490
Payables to companies with significant influence or joint ventures for services received	-	-
Payables to other companies with minority interest for services received	-	-
Payables to Chilean Treasury and other government agencies	1,083	1,158
Payables related to student loans	-	-
Payables related to financial leases	809	392
Provisions for unpaid expenses	19,723	7,219
Balance of price and other payables for acquisition of goods for leases as lessor	2,737	3,047
Other accounts and notes payable to third parties	4,318	5,485
Subtotal	**30,269**	**18,791**
Payables by bank subsidiaries (only applies to the standalone bank)	-	-
Dividends payable	36	35
Valuation adjustments for macro hedges	10,585	16,645
Liabilities for operating revenue from contracts with customers		
Deferred revenue from customer loyalty and merit-based programs	-	-
Deferred revenue from unearned insurance brokerage commissions	-	-
Deferred revenue from unearned insurance premium collection commissions	2,464	2,077
Other deferred revenue received in advance	744	665
Subtotal	**3,208**	**2,742**
VAT payable	**2,365**	**2,155**
Other cash collateral received	**-**	**-**
Pending transactions	**2,518**	**1,262**
Other liabilities	**8,635**	**4,544**
Total other liabilities	**96,778**	**105,545**

NOTE 28 – EQUITY

a) As of December 31, 2023 and 2022, the Bank's authorized capital is comprised of 265,180,000 single-series shares, of which 236,916,372 are fully subscribed and paid.

Movements of issued and paid-in shares are as follows:

	Common Shares		Preferential Shares	
	December 2023	December 2022	December 2023	December 2022
Opening balance	236,916,372	228,476,744	-	-
Payment of subscribed shares	-	8,439,628	-	-
Balance	**236,916,372**	**236,916,372**	**-**	**-**

As of the end of this reporting period, the Bank's shareholders are as follows:

	December 31, 2023		12/31/2022	
Shareholders	No. of Shares	Ownership Interest (%)	No. of Shares	Ownership Interest (%)
Grupo Security	236,858,976	99,98	236,858,976	99,98
Other	57,396	0,02	57,396	0,02
Total	**236,916,372**	**100**	**236,916,372**	**100**

b) As of December 31, 2023 and 2022, earnings per share is detailed as follows:

	December	
	2023 MCH$	2022 MCH$
Profit for the year	176,673	142,371
Average outstanding shares	**236,916,372**	**236,916,372**
Earnings per share:		
Basic	CH $746	CH $601
Diluted	CH $746	CH $601

c) Reserve accounts within the statement of changes in equity are as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Opening balance	18,171	17,309
Other equity movements (*)	1,526	862
Closing balance	**19,697**	**18,171**
(*) Opening balance of other equity movements		
Movement subsidiary Administradora General de Fondos Security S.A.	742	806
Movement subsidiary Valores Security S.A. Corredora de Bolsa	784	56
	1,526	**862**

NOTE 28 – EQUITY (CONTINUED)

c) Other comprehensive income (loss) is presented in the statement of changes in equity and detailed as follows:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Items that will not be reclassified to profit or loss		
Net changes in the fair value of equity instruments at fair value through other comprehensive income	240	154
Subtotal	**240**	**154**
Items that may be reclassified to profit or loss		
Changes in the fair value of financial assets at fair value through other comprehensive income	14,037	3,693
Deferred taxes	(3,790)	(997)
Subtotal	**10,247**	**2,696**
Cash flow hedge	(2,431)	4,384
Deferred taxes	656	(1,184)
Subtotal	**(1,775)**	**3,200**
Total	**8,712**	**6,050**

e) For the years ended December 31, 2023 and 2022, the following dividends were declared and paid:

Description	Distributable Profit MCH$	Dividends MCH$	Reserves MCH$	Dividend per Share CH$
Business year 2022 AGM No. 41	142,366	78,301	64,065	330,5
Business year 2021 AGM No. 40	77,127	46,277	30,850	195,33

f) As of December 31, 2023 and 2022, the Bank recognized a provision for minimum dividends in accordance with Law No. 18,046 on Corporations and Chapter B4 of the CMF Compendium of Accounting Standards amounting to MCH $53,001 and MCH $42,710, respectively.

NOTE 29 – CONTINGENCIES AND COMMITMENTS

a) Lawsuits and legal proceedings

Legal contingencies within the ordinary course of business

As of the date of issuance of these consolidated financial statements, some legal actions have been filed against the Bank and its subsidiaries involving its normal operations. Management and its legal counsel do not believe that the Bank and its subsidiaries are exposed to any potential significant losses not disclosed in these financial statements.

b) Contingent loans

The following note contains the amounts for which the Bank is contractually obliged to provide loans and the amount of provisions for loan losses recognized:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Guarantees and pledges in Chilean currency	10,761	10,270
Guarantees and pledges in foreign currency	30,057	16,139
Guarantees and pledges	**40,818**	**26,409**
Letters of credit for movement of goods transactions	13,189	8,442
Local currency debt purchase commitments abroad	–	–
Transactions related to contingent events in Chilean pesos	193,107	183,503
Transactions related to contingent events in foreign currency	82,128	92,133
Transactions related to contingent events	**275,235**	**275,636**
Undrawn balance of line of credit and current account overdraft – commercial portfolio	–	–
Undrawn balance on credit card – commercial portfolio	–	–
Undrawn balance of line of credit and current account overdraft – consumer portfolio	217,169	221,913
Undrawn balance on credit card – consumer portfolio	602,067	553,178
Undrawn balance of line of credit and current account overdraft – loans and advances to banks	–	–
Undrawn lines of credit with immediate cancellation	**819,236**	**775,091**
Undrawn balance of line of credit and current account overdraft – commercial portfolio	133,893	141,564
Undrawn balance on credit card – commercial portfolio	40,306	37,931
Undrawn balance of for line of credit and current account overdraft – consumer portfolio	–	–
Undrawn balance on credit card – consumer portfolio	–	–
Undrawn balance of line of credit and current account overdraft – banking portfolio	–	–
Undrawn lines of credit	**174,199**	**179,495**
Higher education loans per Law 20,027 (CAE)	–	–
Other irrevocable credit commitments	55,768	50,372
Other credit commitments	**55,768**	**50,372**
Other contingent loans	**–**	**–**
Total contingent loans	**1,378,445**	**1,315,445**

NOTE 29 – CONTINGENCIES AND COMMITMENTS (CONTINUED)

c) Liabilities

The Bank and its subsidiaries are liable for the following as a result of their normal course of business:

	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Securities and bonds provided as guarantee	7,883,964	8,040,828
Instruments in custody	2,796,457	2,543,564
Signed lease agreements	40,723	62,116
Notes in collections	92,955	105,125
Total	**10,814,099**	**10,751,633**

d) Guarantees furnished

Banco Security

As of December 31, 2023 and 2022, the Bank does not have any assets furnished as guarantee.

Administradora General de Fondos Security S.A.

Mutual funds:
On January 10, 2023, Administradora General de Fondos Security S.A., in compliance with article 266 of Law No. 18,045 (Securities Market Law), with regards to renewing Fund Guarantees, contracted insurance policies for its Mutual Funds from MAPFRE Seguros Generales S.A., for UF868,900, expiring on January 9, 2024. This was done to guarantee faithful performance of its obligations as fund manager to manage third-party funds and cover compensation for damages resulting from non-compliance.

On March 03, 2023, Administradora General de Fondos Security S.A. took out a policy for mutual funds with Compañía MAPFRE Seguros Generales S.A., for UF10,000, expiring on January 9, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

On April 14, 2023, Administradora General de Fondos Security S.A. took out a policy for the Mutual Funds with Compañía de Seguros de Crédito Continental S.A., for an amount of UF10,000, maturing on January 9, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

On December 19, 2023, Administradora General de Fondos Security S.A. took out a policy for the Mutual Funds with Compañía de Seguros de Crédito Continental S.A., for an amount of UF50,000, maturing on January 9, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

Investment funds:
On January 10, 2023, Administradora General de Fondos Security S.A., in compliance with Article 226 of Law No. 18,045 (Securities Market Act), regarding the renewal of the Funds' Collateral, took out policies for the Mutual Funds with Compañía MAPFRE Seguros Generales S.A., for an amount of UF259,900, maturing on January 9, 2024. This was done to guarantee faithful performance of its obligations as fund manager to manage third-party funds and cover compensation for damages resulting from non-compliance.

On February 10, 2023, Administradora General de Fondos Security S.A. took out a policy for the investment funds with MAPFRE Seguros Generales S.A., for an amount of UF10,000, maturing on February 10, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

NOTE 29 – CONTINGENCIES AND COMMITMENTS (CONTINUED)

On March 08, 2023, Administradora General de Fondos Security S.A. took out a policy for the investment funds with MAPFRE Seguros Generales S.A., for an amount of UF20,000, maturing on January 09, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

On March 30, 2023, Administradora General de Fondos Security S.A. took out a policy for the investment funds with Compañía de Seguros de Crédito Continental S.A., for an amount of UF10,000, maturing on January 9, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

On September 05, 2023, Administradora General de Fondos Security S.A. took out a policy for the investment funds with MAPFRE Seguros Generales S.A., for an amount of UF10,000, maturing on January 09, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

On October 20, 2023, Administradora General de Fondos Security S.A. took out a policy for the investment funds with MAPFRE Seguros Generales S.A., for an amount of UF10,000, maturing on January 09, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

On October 23, 2023, Administradora General de Fondos Security S.A. took out a policy for the investment funds with MAPFRE Seguros Generales S.A., for an amount of UF10,000, maturing on January 09, 2024. This was done to guarantee faithful performance of its obligations to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.

Valores Security S.A. Corredores de Bolsa

As of December 31, 2023, Valores Security S.A. Corredora de Bolsa, in compliance with Article 30 and 31 of Law No. 18,045 (Securities Market Act), maintains a guarantee through MAPFRE Garantías y Crédito S.A., for an amount of UF 20,000, maturing on April 22, 2024, and the Santiago Exchange has been designated as the depositary and custodian of such policy.

With respect to the ruling issued by Santiago Exchange requiring all brokers to have comprehensive insurance coverage beginning February 1, 1998, Valores Security S.A. Corredora de Bolsa has a comprehensive banking insurance policy with Southbridge Compañía de Seguros Generales S.A. for UF 600,000, that expires on September 30, 2024, which provides all of the coverage required by that ruling.

In compliance with General Standard 363 of April 30, 2014, which refer to a guarantee for correct professional performance in accordance with Law 20,712 on managing third-party funds and individual portfolios, Valores Security S.A. Corredores de Bolsa has taken out insurance for UF230.810 through Compañía de Mapfre Seguros Generales S.A. expiring on March 31, 2024

To guarantee the hedged forward transactions, as of December 31, 2023 and 2022, Valores Security S.A. Corredores de Bolsa has deposited in custody at Santiago Exchange, shares amounting to MCH$6,499 and MCH$4,270, respectively.

In order to guarantee compliance with the transactions of the settlement clearing system as of December 31, 2023 and 2022, Valores Security S.A. Corredores de Bolsa, holds financial instruments as collateral in CCLV Contraparte Central for MCH$2,468 and MCH$2,496, respectively.

NOTE 30 – INTEREST INCOME AND EXPENSES

a) Interest income

Interest accrued and received for the years ended December 31, 2023 and 2022, is as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Interest from financial assets at amortized cost		
Rights for reverse repurchase agreements and securities lending		
Transactions with domestic banks	–	–
Transactions with foreign banks	–	–
Transactions with other domestic entities	431	447
Transactions with other foreign entities	–	–
Subtotal	**431**	**447**
Debt financing instruments		
From the Chilean State and the Chilean Central Bank	1,763	–
Other debt financing instruments issued in Chile	1,000	1,014
Other debt financing instruments issued abroad	308	190
Subtotal	**3,071**	**1,204**
Loans and advances to banks		
Domestic banks	1,214	1,103
Foreign banks	–	–
Chilean Central Bank	–	–
Foreign central banks	–	–
Subtotal	**1,214**	**1,103**
Commercial loans		
Commercial loans	361,540	248,412
Foreign trade loans	22,303	12,201
Current account overdrafts	7,056	6,998
Credit card debtors	–	–
Factored receivables	–	–
Commercial financial lease transactions	26,532	20,726
Student loans	83	112
Other loans and receivables	–	–
Subtotal	**417,514**	**288,449**
Mortgage loans		
Loans with mortgage bonds	17	29
Mutual loans with endorsable mortgages	7,829	7,382
Mutual loans financed with mortgage bonds	–	–
Other mutual mortgage loans	27,632	18,702
Financial leasing transactions for mortgages	67	65
Other loans and receivables	–	–

NOTE 30 – INTEREST INCOME AND EXPENSE (CONTINUED)

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Subtotal	**35,545**	**26,178**
Consumer loans		
Consumer loans in installments	32,000	23,767
Current account overdrafts	21,457	17,794
Credit card debtors	17,776	11,808
Consumer financial leasing transactions	–	–
Other loans and receivables	–	–
Subtotal	**71,233**	**53,369**
Other financial instruments		
Deposits in the Chilean Central Bank	10,965	10,998
Deposits in foreign central banks	–	–
Deposits in domestic banks	–	–
Deposits in foreign banks	6,270	1,507
Other interest earned	419	2,992
Subtotal	**17,654**	**15,497**
Total interest from financial assets at amortized cost	**546,662**	**386,247**

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Financial assets at fair value through other comprehensive income		
Debt financing instruments		
From the Chilean State and the Chilean Central Bank	158,193	72,461
Other debt financing instruments issued in Chile	28,628	19,772
Other debt financing instruments issued abroad	6,748	6,108
Other financial instruments	–	–
Loans originated and acquired by the entity	–	–
Other	**–**	**–**
Total financial assets at fair value through other comprehensive income	**193,569**	**98,341**
Result of interest rate risk accounting hedges		
Gain on financial derivative instruments for hedging	66,074	58,730
Loss on financial derivative instruments for hedging	(10,525)	(7,418)
Gain (loss) from adjustment of hedged financial assets	**698**	**1,025**
Total gain (loss) on interest rate risk accounting hedges	**56,247**	**52,337**
Total interest income	**796,478**	**536,925**

NOTE 30 – INTEREST INCOME AND EXPENSE (CONTINUED)

b) Interest expense

For the years ended December 31, 2023 and 2022, interest expense is as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Financial liabilities at amortized cost		
Current accounts and demand deposits		
Current accounts	(218)	(17)
Demand deposits	-	-
Other demand deposits	-	-
Other demand balances	-	-
Subtotal	**(218)**	**(17)**
Savings accounts and other term deposits		
Term deposits	(229,736)	(124,694)
Term savings accounts	-	-
Other term balances payable	-	-
Subtotal	**(229,736)**	**(124,694)**
Payables from repurchase agreements and securities lending		
Transactions with local banks	(1,715)	(1,257)
Transactions with foreign banks	-	-
Transactions with other domestic entities	(29)	(73)
Transactions with other foreign entities	-	-
Subtotal	**(1,744)**	**(1,330)**
Borrowings from financial institutions		
Domestic banks	-	-
Foreign banks	(20,872)	(6,831)
Chilean Central Bank	(6,054)	(5,881)
Foreign central banks	-	-
Subtotal	**(26,926)**	**(12,712)**
Debt financing instruments		
Credit letters	(31)	(52)
Bonds	(80,122)	(69,429)
Subtotal	**(80,153)**	**(69,481)**
Other financial liabilities		
Public-sector obligations	(256)	(285)
Other domestic obligations	(5)	-
Foreign obligations	-	-
Subtotal	**(261)**	**(285)**
Lease liabilities	**(344)**	**(134)**
Regulatory capital financial instruments issued	**(12,146)**	**(11,726)**
Gain (loss) on interest rate risk accounting hedges		
Gain on financial derivative instruments for hedging	-	-
Loss on financial derivative instruments for hedging	(39,411)	(71,676)
Gain (loss) from adjustment of hedged financial liabilities	1,307	(3,452)
Subtotal	**(38,104)**	**(75,128)**
Total interest expenses	**(389,632)**	**(295,507)**

NOTE 31 – INDEXATION INCOME AND EXPENSES

a) Indexation income

Indexation income for the years ended December 31, 2023 and 2022, is as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Income from UF indexation of financial assets at amortized cost		
Rights for reverse repurchase agreements and securities lending		
Transactions with domestic banks	–	–
Transactions with foreign banks	–	–
Transactions with other domestic entities	–	–
Transactions with other foreign entities	–	–
Subtotal	**–**	**–**
Debt financing instruments		
From the Chilean State and the Chilean Central Bank	–	–
Other debt financing instruments issued in Chile	–	–
Other debt financing instruments issued abroad	–	–
Subtotal	**–**	**–**
Loans and advances to banks		
Domestic banks	–	–
Foreign banks	–	–
Chilean Central Bank	–	–
Foreign central banks	–	–
Subtotal	**–**	**–**
Commercial loans		
Commercial loans	117,144	332,460
Foreign trade loans	–	–
Credit card debtors	–	–
Factored receivables	–	–
Commercial financial lease transactions	18,466	46,132
Student loans	83	283
Other loans and receivables	–	–
Subtotal	**135,693**	**378,875**
Mortgage loans		
Loans with mortgage bonds	19	80
Mutual loans with endorsable mortgages	10,245	26,099
Mutual loans financed with mortgage bonds	–	–
Other mutual mortgage loans	37,746	81,660
Financial leasing transactions for mortgages	66	170

NOTE 31 – INDEXATION INCOME AND EXPENSES (CONTINUED)

Other loans and receivables	–	–
Subtotal	**48,076**	**108,009**
Consumer loans		
Consumer loans in installments	342	1,201
Current account overdrafts	–	–
Credit card debtors	–	–
Consumer financial leasing transactions	–	–
Other loans and receivables	–	–
Subtotal	342	1,201
Other financial instruments		
Deposits in the Chilean Central Bank	–	–
Deposits in domestic banks	–	–
Other income from UF indexation earned	579	2,025
Subtotal	**579**	**2,025**
Total income from UF indexation of financial assets at amortized cost	**184,690**	**490,110**

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Income from UF indexation of financial assets at fair value through other comprehensive income		
Debt financing instruments		
From the Chilean State and the Chilean Central Bank	711	225
Other debt financing instruments issued in Chile	7,584	22,942
Other debt financing instruments issued abroad	–	–
Other financial instruments		
Loans originated and acquired by the entity	–	–
Other	–	–
Total income from UF indexation of financial assets at fair value through other comprehensive income	**8,295**	**23,167**
Income from UF indexation of gain (loss) on interest rate risk accounting hedges		
Gain on financial derivative instruments for hedging	–	–
Loss on financial derivative instruments for hedging	–	–
Gain (loss) from adjustment of hedged financial assets	–	–
Total income from UF indexation of gain (loss) on interest rate risk accounting hedges	**–**	**–**

Total income from UF indexation	**192,985**	**513,277**

b) Indexation expenses

For the years ended December 31, 2023 and 2022, indexation expense is detailed as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Expenses for UF indexation of financial liabilities at amortized cost		
Current accounts and demand deposits		
Current accounts	-	-
Demand deposits	-	-
Other demand deposits	-	-
Other demand balances	(623)	(644)
Subtotal	**(623)**	**(644)**
Savings accounts and other term deposits		
Term deposits	(10,041)	(21,216)
Term savings accounts	-	-
Other term balances payable	-	-
Subtotal	**(10,041)**	**(21,216)**
Payables from repurchase agreements and securities lending		
Transactions with local banks	-	-
Transactions with foreign banks	-	-
Transactions with other domestic entities	-	-
Transactions with other foreign entities	-	-
Subtotal	**-**	**-**
Borrowings from financial institutions		
Domestic banks	-	-
Foreign banks	-	-
Chilean Central Bank	-	-
Foreign central banks	-	-
Subtotal	**-**	**-**
Debt financing instruments		
Letters of credit	(36)	(157)
Bonds	(145,665)	(344,766)
Subtotal	**(145,701)**	**(344,923)**
Other financial liabilities		
Public-sector obligations	(70)	(155)
Other domestic obligations	-	-
Foreign obligations	-	-
Subtotal	**(70)**	**(155)**
Regulatory capital financial instruments issued		
Subordinated bonds	(17,296)	(43,424)
Bonds with no fixed maturity	-	-
Subtotal	**(17,296)**	**(43,424)**
Expenses for UF indexation of interest rate risk accounting hedges		
Gain on financial derivative instruments for hedging	-	-
Loss on financial derivative instruments for hedging	-	-
Gain (loss) from adjustment of hedged financial liabilities	-	-
Subtotal	**-**	**-**
Total UF indexation expense	**(173,731)**	**(410,362)**

NOTE 32 – FEE AND COMMISSION INCOME AND EXPENSES

Fee and commission income for the years ended December 31, 2023 and 2022, which is presented in the consolidated statement of income, consists of the following items:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Income from commissions and services rendered		
Fees and commissions on loan prepayments	978	448
Fees and commissions on loans funded with letters of credit	5	13
Fees and commissions for credit lines and current account overdrafts	608	610
Fees and commissions for guarantees and letters of credit	5,480	5,939
Fees and commissions for credit card services	10,045	10,462
Fees and commissions for administration of accounts	5,193	4,658
Fees and commissions for collection services	10,018	7,048
Fees and commissions for brokerage and handling of securities (Corredores de Bolsa and/or Agencia de Valores)	7,772	8,700
Fees and commissions for managing mutual, investment or other funds	**26,253**	**26,247**
Fees and commissions for insurance brokerage and advising		
Insurance related to the granting of loans to individuals	-	-
Insurance unrelated to the granting of loans to individuals	-	-
Insurance related to the granting of loans to legal entities	-	-
Insurance unrelated to the granting of loans to legal entities	-	-
Fees and commissions for factoring services	-	-
Fees and commissions for financial leasing services	-	-
Fees and commissions for securitization	-	-
Fees and commissions for financial advisory services	9,043	9,457
Other fees and commissions earned	724	817
Total fee and service income	**76,119**	**74,399**

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Fee and service expenses		
Fees and commissions for credit card operations	(48)	(39)
Licensing fees for use of card brands	(5,255)	(3,733)
Other fees for services linked to credit cards	-	-
and prepaid cards as payment media	-	-
Expenses for loyalty and merit program obligations	-	-
for mutual funds, investment funds, etc.	-	-
Securities transaction fees and commissions	(3,709)	(2,670)
Other commissions for services received	(2,367)	(2,582)
Total **fee and service expenses**	(11,379)	(9,024)
Total fee and service income	**76,119**	**74,399**

NOTE 33 – NET FINANCIAL OPERATING INCOME

For the years ended December 31, 2023 and 2022, net financial operating income for the Bank and its subsidiaries was as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Gain (loss) on financial assets held for trading at fair value through profit and loss		
Financial derivative instruments	15,387	16,868
Debt financing instruments	7,585	7,827
Other financial instruments	(6,348)	(24,477)
Equity instruments	–	–
Loans originated and acquired by the entity (Loans and advances to banks, Commercial loans, Mortgage loans and Consumer loans)	–	–
Other	–	–
Subtotal	**16,624**	**218**
Gain (loss) on financial liabilities held for trading at fair value through profit and loss	**–**	**–**
Gain (loss) on financial assets not for trading that must be measured at fair value through profit and loss	**–**	**–**
Gain (loss) on financial assets at fair value through profit and loss	**–**	**–**
Gain (loss) on financial liabilities at fair value through profit and loss	**–**	**–**
Gain (loss) from derecognition of financial assets and liabilities not measured at fair value through profit or loss	**–**	**(2,102)**
Gain (loss) on exchange differences, indexation and foreign exchange accounting hedges	**(7,260)**	**(147)**
Gain (loss) on exchange differences	(10,069)	(2,623)
Foreign currency fluctuations	(377)	(188)
Gain (loss) on derivatives for foreign exchange accounting hedges	3,186	2,664
Subtotal	**(7,260)**	**(2,249)**
Gain (loss) on reclassifications of financial assets due to change in business model	**–**	**–**
Other gain (loss) from changes in financial assets and liabilities	**–**	**–**
Other gain (loss) from effective accounting hedges	**–**	**–**
Other gain (loss) from other accounting hedges	**–**	**–**
Total net financial operating income	**9,364**	**(2,031)**

NOTE 34 – INCOME ATTRIBUTABLE TO INVESTMENTS IN OTHER COMPANIES

As of December 31, 2023 and 2022, the subsidiary Corredora de Bolsa Valores Security S.A., reported profit of MCH$707 and MCH$404 from dividend payments from banking support companies, respectively. As of December 31, 2023 and 2022, Banco Security reported profit of MCH$17 and MCH$5 for this concept, respectively.

	Ownership Interest as of December 31,		Profit for the Year Ended December 31,	
	2023 %	2022 %	2023 MCH$	2022 MCH$
Imer Otc Sa	6,89	6,89	–	–
Bolsa de Comercio de Santiago	–	–	–	–
Bolsa Electrónica	–	–	–	–
Combanc S.A.	4,41	4,41	–	–
Depósitos Central de Valores S.A.	3,60	3,60	–	–
Other investments in other companies	–	–	778	409
Total investments in other companies			**778**	**409**

NOTE 35 – GAIN (LOSS) FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS NOT ADMISSIBLE AS DISCONTINUED OPERATIONS

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Gain (loss) on sale of assets repossessed or foreclosed at judicial auction	947	495
Other income from assets repossessed or foreclosed at judicial auction	2,803	521
Provisions for assets repossessed or foreclosed	–	–
at judicial auction	(5,623)	(1,693)
Write-off of assets repossessed or foreclosed at judicial auction	(4,544)	(2,238)
Maintenance expenses for assets repossessed or foreclosed at judicial auction	(1,183)	(529)
Net gain (loss) on assets repossessed or foreclosed at judicial auction	(7,600)	(3,444)
Non-current assets held for sale	(12)	–
Disposal groups held for sale	1,115	552
Total gain (loss) from non-current assets and disposal groups not admissible as discontinued operations	**(6,497)**	**(2,892)**

NOTE 36 – OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

Details of other operating income in the consolidated statement of income is as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Compensation from insurance companies for claims other than operational risk events	–	–
Net proceeds from investment property	–	–
Income from card brands issued (VISA, MC etc.)	–	–
Income from correspondent banks	–	–
Income other than interest and fees from lease agreements	743	517
Recovery of expenses	808	905
Other income	2,307	1,438
Total	**3,858**	**2,860**

b) Other operating expenses

Details of other operating income in the consolidated statement of income is as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Insurance premium expense to cover operational risk events	–	–
Gross loss expense for operational risk events	–	–
Recoveries of expenses for operational risk events	825	1,359
Provision expense for unearned insurance brokerage commissions	–	–
Provision expense for unearned insurance premium collection commissions	–	–
Provisions for restructuring plans	–	–
Provisions for lawsuits and litigation	–	–
Provisions for other contingencies	–	–
Expenses for financial lease credit operations	(277)	(117)
Expenses for factoring credit operations	–	–
Expenses for ATM administration, maintenance and support	–	–
Expenses for adoption of new card technologies	–	–
Expenses for issuance of regulatory capital financial instruments	–	–
Other operating expenses	(15,022)	(15,959)
Total	**(14,474)**	**(14,717)**

NOTE 37 – EMPLOYEE BENEFIT OBLIGATION EXPENSES

Payroll and personnel expenses consist of expenses accrued during the year for remunerations and compensation of employees and other expenses derived from the employee-employer relationship.

a) These expenses for the years ended December 31, 2023 and 2022, are detailed as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Short-term employee benefits expense	(75,063)	(63,415)
Post-employment employee benefits expense	-	-
Long-term employee benefits expense	-	-
Employee termination benefits expense	(4,006)	(3,624)
Expenses for payments to employees based on shares or equity instruments	-	-
Expense for post-employment defined contribution	-	-
Expense for post-employment defined benefits	-	-
Expenses for other obligations to personnel	-	-
Other personnel expenses	(3,160)	(2,380)
Total employee benefit obligation expenses	**(82,229)**	**(69,419)**

(*) For the year ended December 31, 2023, this item includes external auditors' fees for the financial statements of Banco Security and its subsidiaries, which include: i) MCH$276 for financial statement audit services and ii) MCH$146 for additional services other than financial statement audit services.

NOTE 38 – ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31, 2023 and 2022, are detailed as follows.

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Expenses for short-term leases	(2,436)	(2,309)
Low-value lease contract expenses	-	-
Other expenses for lease liabilities	-	-
Maintenance and repair of Bank's property, plant and equipment	(7,678)	(7,872)
Insurance premiums except to cover operational risk events	(889)	(799)
Office supplies	(414)	(304)
IT and communications expenses	(10,297)	(7,829)
Lighting, heating and other utilities	(349)	(356)
Security services and armored transport	(104)	(107)
Travel and entertainment expenses	(432)	(327)
Court and notary expenses	(3,085)	(2,932)
Fees for external audit review, advisory and consulting services (*)	(1,051)	(1,817)
Securities rating fees	(293)	(343)
Fees for other technical reports	(15,970)	(16,212)
CMF fines	(92)	-
Fines imposed by other agencies	(63)	(17)
Other general administrative expenses	(17,671)	(13,959)
Subtotal	**(60,824)**	**(55,183)**
Outsourced services:		
Data processing	(13,292)	(11,906)
Technology development, certification and testing services	(33)	(20)
Outsourced human resources management and external staffing service	-	-
Appraisal service	-	-
Call center service for sales, marketing, quality control and customer service	-	-
Outsourced collections services	-	-
Outsourced ATM management and maintenance services	-	-
Outsourced cleaning, dining hall, file and document custody, furniture and equipment storage services	(1,287)	(1,028)
Product sales and distribution services	-	-
Outsourced loan assessment services	-	-
Other outsourced services	(4,476)	(4,271)
Subtotal	**(19,088)**	**(17,225)**
Board compensation		
Board compensation	(1,309)	(1,185)
Other board expenses	-	-
Subtotal	(1,309)	(1,185)
Advertising	**(11,248)**	**(6,310)**
Taxes, property taxes and contributions		
Property taxes	(656)	(587)
Municipal taxes	(1,024)	(1,021)
Taxes other than income taxes	(65)	(100)
Contributions to the regulator	(3,032)	(2,677)
Other legal fees	-	-
Subtotal	**(4,777)**	**(4,385)**
Total	**(97,246)**	**(84,288)**

NOTE 39 – DEPRECIATION AND AMORTIZATION

Depreciation and amortization by type of asset charged to profit or loss for the years ended December 31, 2023 and 2022, are as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Amortization of intangible assets		
Other intangible assets arising from business combinations	(3,080)	(3,616)
Other independently generated intangible assets	(60)	(66)
Depreciation of property, plant and equipment		
Buildings and land	(304)	(311)
Other PP&E	(994)	(1,303)
Subtotal	**(1,298)**	**(1,614)**
Amortization and depreciation of right-to-use leased assets		
Buildings and land	(1,823)	(1,722)
Other PP&E	-	-
Depreciation for leasehold improvements such as right-of-use leasehold assets	-	-
Amortization of the right to use other leased intangible assets	-	-
Subtotal	**(1,823)**	**(1,722)**
Depreciation of other assets for investment property	-	-
Amortization of other assets from revenue from customer contracts	-	-
Total	**(6,261)**	**(7,018)**

NOTE 40 – IMPAIRMENT OF NON-FINANCIAL ASSETS

For the years ended December 31, 2023 and 2022, this account is detailed as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Impairment of investments in other companies	-	-
Impairment of intangible assets		
Goodwill from business combinations	(3,830)	-
Other intangible assets arising from business combinations	-	-
Other independently generated intangible assets	(3,143)	(88)
Subtotal	**(6,973)**	**(88)**
Impairment of property, plant and equipment		
Buildings and land	-	-
Other PP&E	(834)	-
Subtotal	**(834)**	**-**
Impairment of right-of-use leased assets		
Buildings and land	-	-
Impairment for leasehold improvements as assets	-	-
Other PP&E	-	-
Impairment of the right to use other leased intangible assets	-	-
Subtotal	**-**	**-**
Impairment of other assets for investment property	-	-
Impairment of other assets for revenue from contracts with customers	-	-
Gain on business combination from a bargain purchase	-	-
Total	**(7,807)**	**(88)**

NOTE 41 – PROVISIONS FOR CREDIT LOSSES

a) The detail of this account is as follows:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Provisions for credit risk	(79,637)	(70,612)
Special allowance expense for credit risk	(4,580)	(13,956)
Collection of written-off loans	11,162	14,608
Impairment for credit risk of other financial assets at amortized cost	(228)	345
Impairment due to credit risk of financial assets at fair value through other comprehensive income	(75)	(3,310)
Total	**(73,358)**	**(72,925)**

b) The changes in provisions for credit risk during the periods 2023 and 2022 are as follows:

SUMMARY OF ALLOWANCES FOR LOAN LOSSES AND PROVISIONS FOR CREDIT LOSSES ON LOANS For the year ended December 31, 2023 (MCH$) DURING THE PERIOD	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total	FOGAPE COVID-19 Guarantee Deductible	Total
	Assessment		Assessment	Assessment				
	Individual	Group	Individual	Individual	Group			
Loans and advances to banks								
Allowances recognized	-	-	-	-	-	-	-	-
Reversal of allowances	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Commercial loans								
Allowances recognized	(51,983)	(7,603)	(33,573)	(89,199)	(11,514)	(193,872)	(12)	(193,884)
Reversal of allowances	48,208	7,066	30,761	48,395	5,166	139,596	428	140,024
Subtotal	(3,775)	(537)	(2,812)	(40,804)	(6,348)	(54,276)	416	(53,860)
Mortgage loans								
Allowances recognized	-	(4,372)	-	-	(1,976)	(6,348)	-	(6,348)
Reversal of allowances	-	4,100	-	-	856	4,956	-	4,956
Subtotal	-	(272)	-	-	(1,120)	(1,392)	-	(1,392)
Consumer loans								
Provisions recognized	-	(30,454)	-	-	(42,512)	(72,966)	-	(72,966)
Reversal of allowances	-	28,755	-	-	19,826	48,581	-	48,581
Subtotal	-	(1,699)	-	-	(22,686)	(24,385)	-	(24,385)
Provisions for credit losses recognized on loans	(3,775)	(2,508)	(2,812)	(40,804)	(30,154)	(80,053)	416	(79,637)
Collection of written-off loans								
Loans and advances to banks	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	4,005	3,234	7,239	-	7,239
Mortgage loans	-	-	-	-	820	820	-	820
Consumer loans	-	-	-	-	3,103	3,103	-	3,103
Subtotal	-	-	-	4,005	7,157	11,162	-	11,162
Provisions for credit losses - loans	**(3,775)**	**(2,508)**	**(2,812)**	**(36,799)**	**(22,997)**	**(68,891)**	**416**	**(68,475)**

SUMMARY OF ALLOWANCES FOR LOAN LOSSES AND PROVISIONS FOR CREDIT LOSSES ON LOANS For the year ended December 31, 2022 (MCH$) DURING THE PERIOD	Normal Portfolio		Substandard Portfolio	Default Portfolio		Total	FOGAPE COVID-19 Guarantee Deductible	Total
	Assessment		Assessment	Assessment				
	Individual	Group	Individual	Individual	Group			
Loans and advances to banks								
Provisions recognized	–	–	–	–	–	–	–	–
Reversal of allowances	11	–	–	–	–	11	–	11
Subtotal	11	–	–	–	–	11	–	11
Commercial loans								
Allowances recognized	(49,561)	(6,617)	(29,656)	(126,245)	(16,866)	(228,945)	(25)	(228,970)
Reversal of allowances	44,567	6,092	31,310	86,310	10,473	178,752	614	179,366
Subtotal	(4,994)	(525)	1,654	(39,935)	(6,393)	(50,193)	589	(49,604)
Mortgage loans								
Allowances recognized	–	(2,229)	–	–	(3,595)	(5,824)	–	(5,824)
Reversal of allowances	–	1,799	–	–	749	2,548	–	2,548
Subtotal	–	(430)	–	–	(2,846)	(3,276)	–	(3,276)
Consumer loans								
Provisions recognized	–	(29,370)	–	–	(28,718)	(58,088)	–	(58,088)
Reversal of allowances	–	27,004	–	–	13,341	40,345	–	40,345
Subtotal	–	(2,366)	–	–	(15,377)	(17,743)	–	(17,743)
Provisions for credit losses recognized on loans	(4,983)	(3,321)	1,654	(39,935)	(24,616)	(71,201)	589	(70,612)
Collection of written-off loans								
Loans and advances to banks	–	–	–	–	–	–	–	–
Commercial loans	–	–	–	5,014	5,577	10,591	–	10,591
Mortgage loans	–	–	–	–	779	779	–	779
Consumer loans	–	–	–	–	3,238	3,238	–	3,238
Subtotal	–	–	–	5,014	9,594	14,608	–	14,608
Provisions for credit losses - loans	**(4,983)**	**(3,321)**	**1,654**	**(34,921)**	**(15,022)**	**(56,593)**	**589**	**(56,004)**

In management's opinion, allowances for loan losses recognized for the years ended December 31, 2023 and 2022, cover the potential losses that may arise from not recovering these assets.

c) Summary of special provisions for credit risk expense:

	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Loans and advances to banks	(451)	(203)
Commercial loans	(87)	1,060
Consumer loans	46	(2,280)
Provisions for credit risk	(492)	(1,423)
Country risk provision expense for transactions with debtors domiciled abroad	(88)	(33)
Special foreign loans provision expense	–	–
Commercial loans	(1,500)	(5,000)
Mortgage loans	(1,000)	(500)
Consumer loans	(1,500)	(7,000)
Additional provisions on loans expense	(4,000)	(12,500)
Expense provision for adjustments to the minimum required allowance for normal portfolio assessed individually	–	–
Other special loans provision expense	–	–
Total	**(4,580)**	**(13,956)**

NOTE 42 – PROFIT (LOSS) FROM DISCONTINUED OPERATIONS

As of December 31, 2023 and 2022, the Bank and its subsidiaries have no such balances.

NOTE 43 – RELATED PARTY DISCLOSURES

Related parties are defined as persons or entities having an interest either directly or through third parties in the ownership of the Bank and its subsidiaries that exceeds 1% of shares or 5% of publicly-traded shares, as well as persons without an ownership interest that have authority and responsibility in planning, management and control of the Bank's activities and those of its subsidiaries. Companies in which one of the Bank's related parties, related either through ownership or management, has a share greater than or equal to 5% or in which they exercise the role of director, CEO or its equivalent, are also considered to be related companies.

Article 89 of the Corporations Law, which also applies to banks, provides that any transaction with a related party must take place under arm's length conditions similar to those prevailing in the market.

Moreover, Article 84 of the General Banking Law establishes limits on loans granted to related parties and prohibits the granting of loans to the Bank's directors, managers and general representatives.

NOTE 43 – RELATED PARTY DISCLOSURES (CONTINUED)

a) Other assets and liabilities with related parties

Loans to and receivables from related parties are as follows.

Type of Current Assets and Liabilities with Related Parties As of December 31, 2023	Related Party				
	Parent Company MCH$	Other Legal Entity MCH$	Key Personnel of the Consolidated Bank MCH$	Other Related Parties MCH$	Total MCH$
ASSETS					
Financial instruments held for trading at fair value through profit and loss	**–**	**22,811**	**–**	**–**	**22,811**
Financial derivative instruments	–	22,811		–	22,811
Debt financing instruments	–	–	–	–	–
Financial assets not for trading that must be measured at fair value through profit and loss	–	–	–	–	–
Financial assets at fair value through profit and loss	–	–	–	–	–
Financial assets at fair value through other comprehensive income	**–**	**2,994**	**–**	**–**	**2,994**
Financial derivative instruments for hedging	–	–	–	–	–
Financial assets at amortized cost	**–**	**104,281**	**10,078**	**3,522**	**117,881**
Investments under resale agreements and securities borrowing	–	–	–	–	–
Debt financing instruments	–	–	–	–	–
Commercial loans	–	103,828	1,679	2,257	107,764
Mortgage loans	–	246	7,382	1,012	8,640
Consumer loans	–	207	1,017	253	1,477
Allowances for loan losses	–	–	–	–	–
Other assets	–	–	–	–	–
TOTAL ASSETS	**-**	**130,086**	**10,078**	**3,522**	**143,686**
LIABILITIES					
Financial liabilities held for trading at fair value through profit or loss	**–**	**19,035**	**–**	**–**	**19,035**
Financial derivative instruments	–	19,035	–	–	19,035
Financial liabilities at fair value through profit or loss	–	–	–	–	–
Financial derivative instruments for hedging	–	–	–	–	–
Financial liabilities at amortized cost	166	610,464	5,620	5,906	622,156
Current accounts and other demand deposits	166	32,619	430	817	34,032
Savings accounts and other term deposits	–	571,921	5,160	5,048	582,129
Payables from repurchase agreements and securities lending	–	5,921	30	41	5,992
Borrowings from financial institutions	–	3	–	–	3
Debt financing instruments	–	–	–	–	–
Other financial liabilities	–	–	–	–	–
Lease liabilities	–	–	–	–	–
Other liabilities	–	–	–	–	–
TOTAL LIABILITIES	**166**	**629,499**	**5,620**	**5,906**	**641,191**

NOTE 43 – RELATED PARTY DISCLOSURES (CONTINUED)

Type of Current Assets and Liabilities with Related Parties For the year ended December 31, 2022	Related Party				
	Parent Company MCH$	Other Legal Entity MCH$	Key Personnel of the Consolidated Bank MCH$	Other Related Parties MCH$	Total MCH$
ASSETS					
Financial instruments held for trading at fair value through profit and loss	**–**	**34,148**	**–**	**–**	**34,148**
Financial derivative instruments	–	34,148	–	–	34,148
Debt financing instruments	–	–	–	–	–
Financial assets not for trading that must be measured at fair value through profit and loss	–	–	–	–	–
Financial assets at fair value through profit and loss	–	–	–	–	–
Financial assets at fair value through other comprehensive income	**–**	**1,229**	**–**	**–**	**1,229**
Financial derivative instruments for hedging	–	–	–	–	–
Financial assets at amortized cost	**–**	**84,441**	**8,841**	**6,347**	**99,629**
Investments under resale agreements and securities borrowing	–	9,076	–	181	9,257
Debt financing instruments	–	–	–	–	–
Commercial loans	–	75,073	1,749	4,280	81,102
Mortgage loans	–	136	6,226	1,563	7,925
Consumer loans	–	161	866	322	1,350
Allowances for loan losses	–	(5)	–	–	(5)
Other assets	–	–	–	–	–
TOTAL ASSETS	**-**	**119,818**	**8,841**	**6,347**	**135,006**
LIABILITIES					
Financial liabilities held for trading at fair value through profit or loss	**–**	**30,695**	**–**	**–**	**30,695**
Financial derivative instruments	–	30,695	–	–	30,695
Financial liabilities at fair value through profit or loss	–	–	–	–	–
Financial derivative instruments for hedging	–	–	–	–	–
Financial liabilities at amortized cost	271	281,660	2,926	17,782	302,639
Current accounts and other demand deposits	271	42,097	661	1,325	44,354
Savings accounts and other term deposits	–	235,480	2,234	16,457	254,171
Payables from repurchase agreements and securities lending	–	4,078	31	–	4,109
Borrowings from financial institutions	–	5	–	–	5
Debt financing instruments	–	–	–	–	–
Other financial liabilities	–	–	–	–	–
Lease liabilities	–	–	–	–	–
Other liabilities	–	–	–	–	–
TOTAL LIABILITIES	**271**	**312,355**	**2,926**	**17,782**	**333,334**

NOTE 43 – RELATED PARTY DISCLOSURES (CONTINUED)

b) Income and expenses from related party transactions

Income and expenses from related party transactions, in accordance with IAS 24, as detailed as follows:

Type of Income and Expense with Related Parties For the year ended December 31, 2023	Related Party				
	Parent Company	Other Legal Entity	Key Personnel of the Consolidated Bank	Other Related Parties	Total
Interest income	–	2,620	34	92	2,746
Indexation income	–	277	3	120	400
Fee and commission income	–	238	4	8	250
Net financial operating income (loss)	–	911	–	–	911
Other income	–	13	1	–	14
TOTAL REVENUE	**-**	**4,059**	**42**	**220**	**4,321**
Interest expense	–	(4,440)	(10)	(176)	(4,626)
Indexation expense	–	(143)	–	(26)	(169)
Fee and commission expense	–	–	–	–	–
Administrative expenses	–	1	–	(2)	(1)
Other expenses	–	(2)	–	–	(2)
TOTAL EXPENSES	**-**	**(4,584)**	**(10)**	**(204)**	**(4,798)**

Type of Income and Expense with Related Parties For the year ended December 31, 2022	Related Party				
	Parent Company	Other Legal Entity	Key Personnel of the Consolidated Bank	Other Related Parties	Total
Interest income	–	2,003	28	88	2,119
Indexation income	–	795	10	195	1,000
Fee and commission income	–	196	3	10	209
Net financial operating income (loss)	–	(1,530)	–	–	(1,530)
Other income	–	12	1	–	13
TOTAL REVENUE	**-**	**1,476**	**42**	**293**	**1,811**
Interest expense	–	(3,154)	(1)	(79)	(3,234)
Indexation expense	–	(1,337)	–	(10)	(1,347)
Fee and commission expense	–	–	–	–	–
Administrative expenses	–	11	–	(1)	10
Other expenses	–	(3)	–	(4)	(7)
TOTAL EXPENSES	**-**	**(4,483)**	**(1)**	**(94)**	**(4,578)**

NOTE 43 – RELATED PARTY DISCLOSURES (CONTINUED)

c) Related party transactions

Related party transactions reported are those considered by the Company to exceed an accumulated total of UF2,000 for the years ended December 31, 2023 and 2022, notwithstanding their different nature:

As of December 31, 2023

Corporate Name	Relationship with Bank	Transaction			Arm's Length Transaction	Amount MCH$	Effect on the Statement of Income		Effect on the Statement of Financial Position	
		Type of Service	Term	Renewal Conditions			Income MCH$	Expenses MCH$	Accounts Receivable MCH$	Accounts Payable MCH$
Grupo Security S.A.	Management	Services provided	Under contract		Yes	(78,282)	–	78,282	–	166
Capital S.A.	Management	Services provided	Under contract		Yes	(23,729)	–	23,729	–	5,180
Transbank S.A.	Management	Services provided	Under contract		Yes	13,450	15,992	2,542	–	–
Seguros Vida Security Previsión S.A.	Management	Insurance	Under contract		Yes	212	3,455	3,243	–	16,327
Inmobiliaria Security S.A.	Management	Advisory services	Under contract		Yes	(208)	–	208	–	83
Redbanc S.A.	Management	Services provided	Under contract		Yes	(1,208)	–	1,208	–	–
Inmobiliaria Casanuestra S.A.	Management	Advisory services	Under contract		Yes	(323)	–	323	1,154	64
Travel Security S.A.	Management	Office lease and tickets	Under contract		Yes	(49)	802	851	1,245	175
Rentas InmobiliariaS Fenix SPA	Indirect	Services provided	Under contract		Yes	580	580	–	–	–
Carmen Mackenna y Compañía Ltda.	Indirect	Services provided	Under contract		Yes	204	204	–	–	–
Comder Contraparte Central S.A.	Management	Services provided	Under contract		Yes	(422)	–	422	–	–
Enel Distribución Chile S.A.	Indirect	Services provided	Under contract		Yes	(128)	–	128	–	–
Inmobiliaria e inversiones Alcantara S.A.	Management	Advisory services	Under contract		Yes	490	490	–	–	–
Securitizadora Security	Management	Services provided	Under contract		Yes	(90)	–	90	–	10
Cabo de Hornos S.A.	Indirect	Services provided	Under contract		Yes	89	89	–	–	–

NOTE 43 – RELATED PARTY DISCLOSURES (CONTINUED)

For the year ended December 31, 2022

Corporate Name	Relationship with Bank	Transaction			Arm's Length Transaction	Amount MCH$	Effect on the Statement of Income		Effect on the Statement of Financial Position	
		Type of Service	Term	Renewal Conditions			Income MCH$	Expenses MCH$	Accounts Receivable MCH$	Accounts Payable MCH$
Capital S.A.	Management	Services provided	Under contract		Yes	(20,235)	–	20,235	2	3,836
Transbank S.A.	Management	Services provided	Under contract		Yes	1,064	3,158	2,094	–	–
Seguros Vida Security Previsión S.A.	Management	Insurance	Under contract		Yes	(3,181)	–	3,181	–	1,945
Redbanc S.A.	Management	Services provided	Under contract		Yes	(1,014)	–	1,014	–	–
Inmobiliaria Casanuestra S.A.	Management	Advisory services	Under contract		Yes	(217)	–	217	1,113	167
Travel Security S.A.	Management	Office lease and tickets	Under contract		Yes	801	801	–	524	2433
Rentas InmobiliariaS Fenix SPA	Indirect	Services provided	Under contract		Yes	532	532	–	–	–
Carmen Mackenna y Compañía Ltda.	Indirect	Services provided	Under contract		Yes	185	185	–	–	–
Mandatos Security Ltda.	Management	Services provided	Under contract		Yes	(122)	–	122	–	–
Enel Distribución Chile S.A.	Indirect	Services provided	Under contract		Yes	(110)	–	110	–	–
Francisco Regulez y Cia Ltda.	Indirect	Services provided	Under contract		Yes	194	194	–	–	–
Agricovial S.A.	Indirect	Services provided	Under contract		Yes	76	76	–	–	–
Securitizadora Security Ltda.	Management	Services provided	Under contract		Yes	(89)	–	89	–	–
Inmobiliaria e inversiones Alcantara S.A.	Management	Advisory services	Under contract		Yes	462	462	–	–	31
Bice Inversiones Corredores de Bolsa S.A.	Indirect	Services provided	Under contract		Yes	78	78	–	–	–

NOTE 43 – RELATED PARTY DISCLOSURES (CONTINUED)

d) Payments to key management personnel

In 2023 and 2022, the following payments were made to members of the Board and key personnel of the Bank and its subsidiaries:

Payments to the Board of Directors and Key Management Personnel of the Bank and its Subsidiaries	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Board of Directors:		
Compensation and board fees – Bank and Subsidiaries	1,252	1,003
Key Management Personnel – Bank and Subsidiaries:		
Short-term employee benefit payments	5,840	4,734
Post-employment employee benefit payments	–	–
Long-term employee benefit payments	–	–
Employee termination benefit payments	–	699
Payments to employees based on shares or equity instruments	–	–
Post-employment defined contribution payments	–	–
Post-employment defined benefit payments	–	–
Other personnel obligation payments	–	–
Subtotal	**5,840**	**5,433**
Total	**7,092**	**6,436**

e) Composition of key management personnel

Key management personnel are detailed as follows.

Composition of the Board of Directors and Key Management Personnel of the Bank and its Subsidiaries	For the year ended December 31, 2023 MCH$	For the year ended December 31, 2022 MCH$
Board of Directors:		
Compensation and board fees – Bank and Subsidiaries	9	11
Key Management Personnel – Bank and Subsidiaries:		
Chief Executive Officer of Bank	1	1
Chief Executive Officers of subsidiaries	2	2
Division managers of Bank and subsidiaries	6	7
Area managers of Bank and subsidiaries	8	9
Subtotal	**17**	**19**
Total	**26**	**30**

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

a) Fair value measurement models

The Bank uses the following criteria to calculate and classify the market value of financial instruments.

Level 1: Observable prices in active markets for the specific type of instrument or transaction to be measured.

Level 2: Valuation techniques based on observable factors. This category includes instruments valued using: Quoted prices for similar instruments, either in active or less active markets. Other valuation techniques when all significant inputs are directly or indirectly observable based on market data.

Level 3: Valuation techniques that use significant unobservable factors. This category includes all instruments where the valuation technique includes factors that are not based on observable data and the unobservable factors can have a significant effect on the valuation of the instrument. This category contains instruments that are valued based on quoted prices for similar instruments that require adjustments or significant unobservable assumptions to reflect the differences between them.

The valuation techniques employed are based on estimates of market factors using mathematical and statistical models widely used in financial literature, which are backtested.

All these techniques are based on policies reviewed by the relevant committees and boards at least once a year, or more frequently if necessary.

Level 3 includes price estimates for swaps with a yield curve based on the TAB rate (Chilean pesos and Unidad de Fomento), since a yield curve is not observable in the market as a result of its illiquidity.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Bank believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to account for the credit risk of the customer and/or counterparty, as appropriate. For measuring derivatives that could change 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) or counterparty risk, when market participants take it into account in the price of derivatives. Model inputs and values are calibrated against published historical and forecast data and, where possible, against current or recent observed transactions in different instruments and against 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.

If there is no quoted price in an active market, then Banco Security uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique chosen incorporates all the factors that market participants would take into account when pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, (i.e., the fair value of the consideration given or received). If the group determines that the fair value at initial recognition differs from the transaction price and the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are considered insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, this difference is recognized in profit or loss on an appropriate basis over the life of the instrument, but not after the assessment is fully supported by observable market data or the transaction is closed.

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

a.1 Values of instruments with no active market

During the current year, there has not been sufficient trading volume to establish an active market for certain instrument-backed securities, therefore Banco Security has determined the fair value of these instruments using other valuation techniques.

a.2 OTC derivatives

As part of its trading activities, Banco Security enters into OTC 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 expected long-term volatilities and expected correlations between different underlyings.

a.3 Measurement on the basis of net risk exposures

If Banco Security measures portfolios of financial assets and 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 adjusted for portfolio-specific factors. Similarly, when Banco Security measures portfolios of financial assets and liabilities based on the net credit risk exposure to a particular counterparty, it takes into account any existing agreements that mitigate credit risk exposure, e.g., master netting agreements with the counterparty..

b) Valuation control framework

Banco Security has an established control framework for fair value measurement. This framework includes a Product Control area, which is independent of management, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. These specific controls include:

• Verification of observable prices;

• Re-assessment of model valuations;

• A process of review and approval of new models and changes to models involving both Banco Security's Product Control and Market Risk areas;

• 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 Banco Security'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, the Product Control area evaluates and documents the evidence obtained from third parties to support the conclusion that the valuations meet the requirements of IFRS. This includes:

• Verifying that the broker or pricing service is approved by Banco Security for use in pricing the relevant type of financial instrument;

• Understanding how fair value has been arrived at, to what extent it represents active 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 quotes have been obtained for the same financial instrument, understanding how the fair value has been determined using those quotes.

The same level includes options embedded in variable-rate mortgage loans that have a ceiling rate. Although they are part of a loan agreement that is accounted for on an accrual basis, the value of the option is estimated and recorded separately from the host contract in the trading book as per regulatory requirements, despite the fact that it is not a standalone financial instrument for which market prices exist.

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

c) Financial instruments measured at fair value - Fair value hierarchy

The following table details the classification of financial instruments by level within the fair value hierarchy as of December 31, 2023 and 2022.

	Level 1		Level 2		Level 3		Total	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$	MCH$
FINANCIAL ASSETS								
FINANCIAL ASSETS HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT AND LOSS								
Financial derivative instruments:								
Currency forwards	5,782	14,602	48,891	88,493	–	–	54,673	103,095
Interest rate swaps	–	–	41,765	66,881	–	–	41,765	66,881
Currency swaps	–	–	59,213	59,688	900	1,435	60,113	61,123
Interest rate call options	–	–	–	–	–	–	–	–
Interest rate put options	–	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–	
Other	–	–	–	–	–	–	–	–
Subtotal	**5,782**	**14,602**	**149,869**	**215,062**	**900**	**1,435**	**156,551**	**231,099**
Total financial derivative instruments	**5,782**	**14,602**	**149,869**	**215,062**	**900**	**1,435**	**156,551**	**231,099**
Debt financing instruments:								
Chilean Government and Central Bank instruments								
Financial debt instruments of the Chilean Central Bank	–	–	2,468	5,999	–	–	2,468	5,999
Chilean Treasury bonds and promissory notes	–	–	–	–	–	–	–	–
Other government debt financing instruments	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**2,468**	**5,999**	**–**	**–**	**2,468**	**5,999**
Other debt financing instruments issued in Chile								
Debt financing instruments of other banks in Chile	16,329	2,118	20,989	26,212	–	–	37,318	28,330
Corporate bonds and commercial paper issued in Chile	429	397	8,633	9,437	–	–	9,062	9,834
Other instruments issued in Chile	–	–	6,469	4,469	–	–	6,469	4,469
Subtotal	**16,758**	**2,515**	**36,091**	**40,118**	**–**	**–**	**52,849**	**42,633**
Other debt financing instruments issued abroad								
Foreign central banks	–	–	–	–	–	–	–	–
Foreign governments and foreign tax entities	–	–	–	–	–	–	–	–
Other foreign banks	–	–	–	–	–	–	–	–
Corporate bonds and commercial paper issued abroad	–	–	–	–	–	–	–	–
Other foreign instruments	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total debt financing instruments	**16,758**	**2,515**	**38,559**	**46,117**	**–**	**–**	**55,317**	**48,632**

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Other debt financing instruments:								
Investments in mutual funds								
Managed by related parties	7,946	3,934	–	–	–	–	7,946	3,934
Managed by third parties	–	–	–	–	–	–	–	–
Subtotal	**7,946**	**3,934**	**–**	**–**	**–**	**–**	**7,946**	**3,934**
Equity instruments								
Equity instruments issued in Chile	–	–	–	–	–	–	–	–
Equity instruments issued abroad	–	–	–	–	–	–	–	–
Subtotal	**–**	–	–	–	–	–	–	–
Loans originated and acquired by the entity								
Loans and advances to banks	–	–	–	–	–	–	–	–
Commercial loans	–	–	–	–	–	–	–	–
Mortgage loans	–	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–	**–**
Other	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total other financial instruments	**7,946**	**3,934**	**–**	**–**	**–**	**–**	**7,946**	**3,934**

	Level 1		Level 2		Level 3		Total	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	MCH$	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$	MCH$
FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME								
Debt financing instruments:								
Chilean Government and Central Bank instruments								
Chilean Central Bank instruments	612,945	496,963	562,815	568,036	–	–	1,175,760	1,064,999
Chilean Treasury instruments	4,990	144,948	27,442	78,296	–	–	32,432	223,244
Other government debt financing instruments	–	–	–	–	–	–	–	–
Subtotal	617,935	641,911	590,257	646,332	–	–	1,208,192	1,288,243
Other debt financing instruments issued in Chile								
Debt financing instruments of other banks in Chile	946	19,355	275,834	185,976	–	–	276,780	205,331
Corporate bonds and commercial paper issued in Chile	6,308	7,392	153,236	193,214	–	–	159,544	200,606
Other instruments issued in Chile	–	–	–	–	–	–	–	–
Subtotal	7,254	26,747	429,070	379,190	–	–	436,324	405,937
Other debt financing instruments issued abroad								
Foreign central banks	–	–	–	–	–	–	–	–
Foreign governments and foreign tax entities	–	–	–	–	–	–	–	–
Other foreign banks	83,961	93,810	–	–	–	–	83,961	93,810
Corporate bonds and commercial paper issued abroad	–	–	–	–	–	–	–	–
Other debt financing instruments issued abroad	59,081	18,537	–	–	–	–	59,081	18,537

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Subtotal	143,042	112,347	–	–	–	–	143,042	112,347
Total debt financing instruments	**768,231**	**781,005**	**1,019,327**	**1,025,522**	**–**	**–**	**1,787,558**	**1,806,527**
Other financial instruments:								
Loans originated and acquired by the entity								
Loans and advances to banks	–	–	–	–	–	–	–	–
Commercial loans	–	–	–	–	–	–	–	–
Mortgage loans	–	–	–	–	–	–	–	–
Consumer loans	–	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–	–
Other	–	–		3,562	4,950	–	4,950	3,562
Subtotal	**–**	**–**	**–**	**3,562**	**4,950**	**–**	**4,950**	**3,562**
Total other financial instruments	**–**	**–**	**–**	**3,562**	**4,950**	**–**	**4,950**	**3,562**
FINANCIAL DERIVATIVE INSTRUMENTS FOR HEDGING								
Currency forwards	–	–	–	–	–	–	–	–
Interest rate swaps	–	–	–	46,843	34,114	–	34,114	46,843
Currency swaps	–	–	–	–	–	–	–	–
Interest rate call options	–	–	–	–	–	–	–	–
Interest rate put options	–	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Total hedge accounting	**–**	**–**	**–**	**46,843**	**34,114**	**–**	**34,114**	**46,843**
TOTAL FAIR VALUE ASSETS	**798,717**	**802,056**	**1,207,755**	**1,337,105**	**39,964**	**1,435**	**2,046,436**	**2,140,596**

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Level 1		Level 2		Level 3		Total	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCh$
FINANCIAL LIABILITIES HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT AND LOSS								
Financial derivative instruments:								
Forwards	6,139	17,148	55,611	96,498	–	–	61,750	113,646
Swaps	–	–	97,271	126,851	(41)	49	97,230	126,900
Call options	–	–	–	–	25	16	25	16
Put options	–	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Subtotal	**6,139**	**17,148**	**152,882**	**223,349**	**(16)**	**65**	**159,005**	**240,562**
Total financial derivative instruments	**6,139**	**17,148**	**152,882**	**223,349**	**(16)**	**65**	**159,005**	**240,562**
Other financial instruments:								
Current accounts and other demand deposits	–	–	–	–	–	–	–	–
Savings accounts and other term deposits	–	–	–	–	–	–	–	–
Debt issued	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total other financial instruments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
FINANCIAL DERIVATIVE INSTRUMENTS FOR HEDGING								
Financial derivative instruments								
Currency forwards	–	–	–	–	–	–	–	–
Interest rate swaps	–	–	–	21,451	–	–	–	21,451
Currency swaps	–	–	23,635	–	–	–	23,635	–
Interest rate call options	–	–	–	–	–	–	–	–
Interest rate put options	–	–	–	–	–	–	–	–
Futures	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Total assets for financial derivatives	**–**	**–**	**23,635**	**21,451**	**–**	**–**	**23,635**	**21,451**
TOTAL FAIR VALUE LIABILITIES	**6,139**	**17,148**	**176,517**	**244,800**	**(16)**	**65**	**182,640**	**262,013**

d) Fair value measurements - Level 3

d.1 Reconciliation

The following table reconciles beginning balances to ending balances for fair value measurements in Level 3 of the fair value hierarchy:

2023 in MCH$	Trading Assets		Hedge Accounting Derivatives	Customer Loans and Receivables (Loans)	Trading Liabilities	Debt Instruments		Total
	Asset-backed Securities (MBS)	OTC Structured Derivatives			OTC Structured Derivatives	Asset-backed Securities (MBS)	Collateralized Debt Instruments	
Balance as of December 31, 2022	**–**	**1,435**	**–**	**–**	**(49)**	**–**	**–**	**1,386**
In profit (loss) for the year	–	(494)	–	–	49	–	–	(444)
In other comprehensive income (loss)	–	–	–	–	–	–	–	–
Purchases	–	–	–	–	–	–	–	–
Issues	–	–	–	–	–	–	–	–
Sales or settlements	–	–	–	–	–	–	–	–
Transfers to level 3	–	–	–	–	–	–	–	–
Transfers from level 3	–	–	–	–	–	–	–	–
Balance as of December 31, 2023	**–**	**942**	**–**	**–**	**–**	**–**	**–**	**942**

The total gains or losses recognized for each year, as indicated above, are presented in the statement of income and OCI as follows:

2023 in MCH$	Trading Assets		Hedge Accounting Derivatives	Customer Loans and Receivables (Loans)	Trading Liabilities	Debt Instruments		Total
	Asset-backed Securities (MBS)	OTC Structured Derivatives			OTC Structured Derivatives	Asset-backed Securities (MBS)	Collateralized Debt Instruments	
Total gains and losses recognized in profit or loss:	–	–	–	–	–	–	–	–
Net commercial income	–	–	–	–	–	–	–	–
Net income from other financial instruments carried at fair value	(494)				49			(444)
Other income	–	–	–	–	–	–	–	–
Total gains and losses recognized in LOCI	–	–	–	–	–	–	–	–
Fair value reserve (debt instruments)-	–	–	–	–	–	–	–	–
Net change in fair value	–	–	–	–	–	–	–	–
Fair value reserve (equity instruments)-	–	–	–	–	–	–	–	–
Net change in value	–	–	–	–	–	–	–	–
Gains or losses attributable to the change in unrealized gains and losses related to assets and liabilities held at the end of the year	–	–	–	–	–	–	–	–
Net commercial income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net income from other financial instruments carried at fair value	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

d.2 Unobservable inputs used in the fair value measurement:

The following table presents information about significant unobservable inputs used as of December 31, 2023 and 2022, to measure financial instruments categorized as Level 3 in the fair value hierarchy:

Financial Instrument	Fair Values 12/31/2023 MCH$	Valuation Techniques	Significant Unobservable Input	Range of Estimates (Weighted Average) for Unobservable Inputs	Sensitivity of Fair Value Measurement to Unobservable Inputs
Asset-backed Securities (MBS)					
OTC derivatives TAB 30 CLP	(216,663,137)	CIR model - curve estimation	Spread vs Chamber	0.0076/-0.0083(-0.0024)	
OTC derivatives TAB 90 CLP	(637,225,520)	CIR model - curve estimation	Spread vs Chamber	0.0077/-0.0024(0.0034)	
OTC derivatives TAB 180 CLP	2,999,246,105	CIR model - curve estimation	Spread vs Chamber	0.0098/-0.0048(0.0037)	
OTC derivatives TAB 360 CLP	-	CIR model - curve estimation	Spread vs Chamber	0.0151/-0.0063(0.0048)	
OTC derivatives TAB 180 UF	-	CIR model - curve estimation	Spread vs Chamber	0.0508/-0.0075(0.0079)	
OTC derivatives TAB 360 UF	-	CIR model - curve estimation	Spread vs Chamber	0.0142/-0.0085(0.0031)	

e) Financial instruments not measured at fair value

The following table summarizes the fair values of the Bank's main financial assets and liabilities, including those not recognized at fair value in the statement of financial position. The values shown in this note do not attempt to estimate the value of the Bank's income-generating assets, nor forecast their future behavior. The estimated fair value as of December 31, 2023 and 2022, respectively, of the financial instruments is as follows:

	Book Value		Estimated Fair Value		Fair Value Hierarchy
	December 31, 2023 MCH$	December 31, 2022 MCH$	December 31, 2023 MCH$	December 31, 2022 MCH$	
ASSETS					
Cash and due from banks	422,273	442,055	422,273	442,055	1
Transactions in the course of collection	92,767	48,802	92,767	48,802	1
Financial instruments held for trading at fair value through profit and loss	**219,814**	**283,665**	**219,814**	**283,665**	
Financial derivative instruments	156,551	231,099	156,551	231,099	1,2,3
Debt financing instruments	55,317	48,632	55,317	48,632	1,2
Other	7,946	3,934	7,946	3,934	1,2
Financial assets not for trading that must be measured at fair value through profit and loss	–	–	–	–	
Financial assets at fair value through profit and loss	–	–	–	–	
Financial assets at fair value through other comprehensive income	**1,792,508**	**1,856,931**	**1,792,508**	**1,856,931**	
Debt financing instruments	1,787,558	1,806,527	1,787,558	1,806,527	1,2
Other	4,950	3,562	4,950	3,562	
Financial derivative instruments for hedging	34,114	46,843	34,114	46,843	1,2
Financial assets at amortized cost	**7,810,581**	**7,147,200**	**7,516,458**	**7,390,355**	
Investments under resale agreements and securities borrowing	–	–	–	–	
Debt financing instruments	689,835	43,423	689,835	43,423	
Loans and advances to banks	141	–	141	–	1
Customer loans and receivables – commercial	5,542,190	5,669,586	5,314,767	5,909,450	3
Customer loans and receivables – mortgage	1,127,326	1,002,716	1,056,801	978,999	3
Customer loans and receivables – consumer	451,089	431,475	454,915	458,483	3
LIABILITIES					
Transactions in the course of payment	77,692	23,711	77,692	23,711	1
Financial liabilities held for trading at fair value through profit and loss	**159,005**	**240,562**	**159,005**	**240,562**	
Financial derivative instruments	159,005	240,562	159,005	240,562	1,2
Other	–	–	–	–	
Financial liabilities at fair value through profit or loss	–	–	–	–	
Financial derivative instruments for hedging	23,635	21,451	23,635	21,451	1,2
Financial liabilities at amortized cost	**8,842,485**	**8,350,005**	**8,952,309**	**8,594,517**	
Current accounts and other demand deposits	968,887	1,088,447	968,887	1,088,447	1
Savings accounts and other term deposits	2,951,078	2,450,519	2,948,448	2,440,542	3
Payables from repurchase agreements and securities lending	16,944	7,372	16,937	7,369	2
Borrowings from financial institutions	1,493,172	1,513,112	1,388,107	1,511,622	3
Debt financing instruments	3,383,824	3,258,175	3,603,683	3,516,933	1,2
Other financial liabilities	28,580	32,380	26,247	29,603	3
Regulatory capital financial instruments issued	401,095	392,467	354,190	383,963	3

The fair value of assets not presented at that value in the Statement of Financial Position is derived from estimated cash flows the Bank expects to receive, discounted using the relevant market interest rate for each type of transaction.

The fair value of liabilities without market quotes is based on discounted cash flows using the interest rate for similar maturity terms.

Therefore, the largest differences between the carrying amount and the fair value occur in more long-term assets (commercial loans) and liabilities (debt issued) and, inversely, short-term items present a smaller or no difference between these values (e.g. transactions in the course of collection and cash).

NOTE 45 – MATURITY OF FINANCIAL ASSETS AND LIABILITIES BY THEIR REMAINING TERMS

As of December 31, 2023	On Demand MCH$	Under One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$
Financial assets							
Cash and due from banks	422,273	–	–	–	–	–	–
Transactions in the course of collection	92,767	–	–	–	–	–	–
Financial derivative instruments	–	35,308	28,853	22,892	31,495	14,163	23,840
Debt financing instruments held for trading at fair value through profit and loss	–	191	3,728	13,139	14,008	23,292	959
Other instruments held for trading at fair value through profit and loss	–	–	7,946	–	–	–	–
Financial assets at fair value through other comprehensive income	–	660,297	462,283	318,491	134,445	60,560	151,482
Other instruments at fair value through other comprehensive income	–	–	–	–	–	–	4,950
Financial derivative instruments for hedging	–	3,712	5,515	10,750	7,552	4,495	2,089
Investments from repurchase agreements and securities borrowing	–	–	–	–	–	–	–
Debt financing instruments at amortized cost	–	–	655,363	34,472	–	–	–
Loans and advances to banks	–	–	141	–	–	–	–
Customer loans and receivables – commercial (1)	4,394	62,212	201,955	921,194	1,264,330	802,621	2,452,859
Customer loans and receivables – mortgage (1)	–	–	–	–	–	–	1,129,267
Customer loans and receivables – consumer (1)	4,023	–	–	2,575	137,754	230,241	103,179
Total financial assets	**523,457**	**751,670**	**1,363,642**	**1,323,821**	**1,593,942**	**1,138,177**	**3,873,346**
Financial liabilities							
Transactions in the course of payment	77,692	–	–	–	–	–	–
Financial derivative instruments	–	34,163	29,208	24,801	32,298	14,361	24,174
Financial derivative instruments for hedging	–	2,572	3,821	7,448	5,232	3,114	1,448
Current accounts and other demand deposits	968,887	–	–	–	–	–	–
Savings accounts and other term deposits	51,819	1,119,580	548,791	1,145,900	84,988	–	–
Investments from repurchase agreements and securities borrowing	–	16,944	–	–	–	–	–
Borrowings from financial institutions	1,742	32,388	70,115	1,388,927	–	–	–
Debt financing instruments	382	184,558	–	468,012	909,426	721,478	1,099,968
Other financial liabilities	9,835	–	4	85	502	16,106	2,048
Regulatory capital financial instruments issued	–	–	3,892	3,927	16,067	22,907	354,302
Total financial liabilities	**1,110,357**	**1,377,299**	**648,612**	**3,039,217**	**1,056,799**	**782,334**	**1,489,293**

(1) Receivables at amortized cost are presented gross, the amount of allowances is MCH$196,000.

NOTE 45 – MATURITY OF FINANCIAL ASSETS AND LIABILITIES BY THEIR REMAINING TERMS (CONTINUED)

As of December 31, 2022	On Demand MCH$	Under One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$
Financial assets							
Cash and due from banks	442,055	–	–	–	–	–	–
Transactions in the course of collection	48,802	–	–	–	–	–	–
Financial derivative instruments	–	2,781	5,638	65,922	60,636	38,076	58,046
Debt financing instruments held for trading at fair value through profit and loss	–	6,035	145	6,522	33,663	1,139	1,128
Other instruments held for trading at fair value through profit and loss	–	–	3,934	–	–	–	–
Financial assets at fair value through other comprehensive income	–	480,262	280,033	534,002	338,266	68,851	105,113
Other instruments at fair value through other comprehensive income	–	–	–	–	–	–	3,562
Financial derivative instruments for hedging	–	4,065	12,939	14,866	8,177	3,252	3,544
Investments from repurchase agreements and securities borrowing	–	–	–	–	–	–	–
Debt financing instruments at amortized cost	–	–	–	–	43,423	–	–
Loans and advances to banks	–	–	–	–	–	–	–
Customer loans and receivables – commercial (1)	3,096	124,962	408,489	944,442	646,295	658,113	3,033,651
Customer loans and receivables – mortgage (1)	–	–	–	–	–	–	1,002,711
Customer loans and receivables – consumer (1)	3,472	–	–	2,588	85,010	87,265	275,513
Total financial assets	**497,425**	**618,105**	**711,178**	**1,568,342**	**1,215,470**	**856,696**	**4,483,268**
Financial liabilities							
Transactions in the course of payment	23,711	–	–	–	–	–	–
Financial derivative instruments	–	2,562	7,098	66,191	63,250	39,968	61,493
Financial derivative instruments for hedging	–	1,861	5,925	6,808	3,745	1,489	1,623
Current accounts and other demand deposits	1,088,447	–	–	–	–	–	–
Savings accounts and other term deposits	34,578	765,968	792,490	795,161	62,319	3	–
Investments from repurchase agreements and securities borrowing	–	7,372	–	–	–	–	–
Borrowings from financial institutions	1,294	27,389	177,135	118,822	1,188,472	–	–
Debt financing instruments	54	–	383	394,894	1,090,580	637,392	1,134,872
Other financial liabilities	13,934	3	12	137	651	251	17,392
Regulatory capital financial instruments issued	–	–	–	7,515	15,440	16,014	353,498
Total financial liabilities	**1,162,018**	**805,155**	**983,043**	**1,389,528**	**2,424,457**	**695,117**	**1,568,878**

(1) Receivables at amortized cost are presented gross, the amount of allowances is MCH$165,671.

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

	As of December 31, 2023										
	Chilean Currency			Foreign Currency							
	CH$	UF	Indexed to Exchange Rate	USD	COP	GBP	EUR	CHF	JPY	CNH	OTHER FX
	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Financial assets	4,965,764	4,462,409	–	929,374	–	18	20,600	27	20	1,376	356
Non-financial assets	390,438	2,307	–	15,653	–	–	–	–	–	–	(5)
TOTAL ASSETS	**5,356,202**	**4,464,716**	**–**	**945,027**	**–**	**18**	**20,600**	**27**	**20**	**1,376**	**351**
Financial liabilities	4,983,487	3,198,486	–	969,020	–	2	18,636	–	289	803	(22)
Non-financial liabilities	11,810	401,095	–	128,946	–	–	–	–	–	–	–
TOTAL LIABILITIES	**4,995,297**	**3,599,581**	**–**	**1,097,966**	**–**	**2**	**18,636**	**–**	**289**	**803**	**(22)**
Asset / liability gap	**360,905**	**865,135**	**–**	**(152,939)**	**–**	**16**	**1,964**	**27**	**(269)**	**573**	**373**

	For the year ended December 31, 2022										
	Chilean Currency			Foreign Currency							
	CH$	UF	Indexed to Exchange Rate	USD	COP	GBP	EUR	CHF	JPY	CNH	OTHER FX
	MCH$	MCH$	MCh$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Financial assets	4,440,618	4,267,724	–	1,114,364	–	582	24,699	96	108	–	–
Non-financial assets	367,097	–	–	10,852	–	–	–	–	–	–	–
TOTAL ASSETS	**4,807,715**	**4,267,724**	**–**	**1,125,216**	**–**	**582**	**24,699**	**96**	**108**	**–**	**–**
Financial liabilities	4,396,118	3,261,819	–	1,058,805	–	2	26,005	0	21	–	(22)
Non-financial liabilities	6,725	392,467	–	72,953	–	–	–	–	–	–	–
TOTAL LIABILITIES	**4,402,843**	**3,654,286**	**–**	**1,131,758**	**–**	**2**	**26,005**	**0**	**21**	**–**	**(22)**
Asset / liability gap	**404,872**	**613,438**	**–**	**(6,541)**	**–**	**580**	**(1,306)**	**96**	**87**	**–**	**22**

NOTE 47 – RISK MANAGEMENT AND REPORTING

I. RISK MANAGEMENT OBJECTIVES

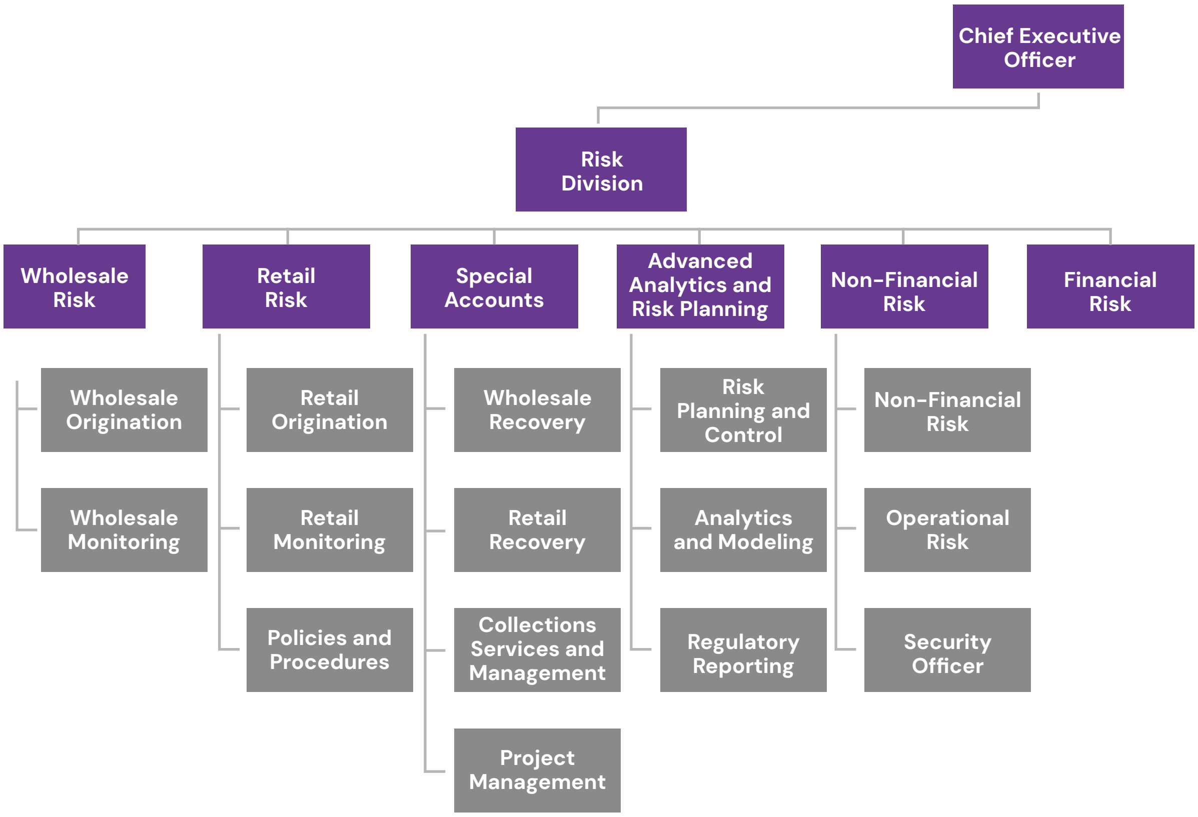
Banco Security considers risk management to be a critical component in guaranteeing business continuity, achieving necessary solvency and ensuring sustainable results. Risk management is intended to minimize losses from risk and optimize the risk-return ratio and the growth (risk appetite) defined by senior management.

II. RISK MANAGEMENT STRUCTURE

Risk management is carried out through the Risk Division, which operates independently from the business areas and acts as a counterweight to them in the different committees that exist.

The structure of the Risk Division, dedicated to the management of credit risk, financial risk and non-financial risk, is divided into 6 areas: wholesale risk, retail risk, special accounts, financial risk, non-financial risk, and advanced analytics and risk planning.

The Bank's risk divisions are structured as follows:



NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Another important component of this structure is the Office of the Controller, which is responsible for regularly and independently evaluating whether the defined risk policies enable effective management and meet regulatory requirements. It is also responsible for conducting audits to verify compliance. The conclusions of these audits are analyzed by the Audit Committee and included in a written report submitted to the Bank's CEO and the department managers involved in the review. The reports provide conclusions from the evaluation and a work plan for resolving the observations made.

Area Descriptions:

1. Credit Risk:

Wholesale Risk:

This department is responsible for the entire credit risk process associated with the risk of individual customer transactions (wholesale), which are mainly associated with Commercial Banking and Finance. In this role, the department is responsible for defining the policies and procedures for this process and ensuring compliance, all in line with defined risk appetite. It is also responsible for monitoring operations, ensuring risk is correctly classified and maximizing collection. To accomplish this, the department is structured as follows:

Wholesale Origination Department

Department responsible for performing risk analysis during origination for all wholesale customers, which includes large companies, medium-sized companies, finances and subsidiaries, as well as evaluating and controlling the Bank's exposure in foreign markets.

This department participates in the different decision-making committees of the companies in its segment, with responsibilities in the Management Committee and as secretary of the Board Credit Committee.

It has specialists in critical sectors, such as real estate analysis, agriculture and structured financing. It supports reports and warnings used by the monitoring department to control these customers.

It serves as the counterparty and controls the loan process for subsidiaries.

a. Wholesale Risk Monitoring Department

The Credit Risk Monitoring Department is responsible for three functions:

Early detection, which helps the Bank more efficiently recover amounts owed by customers.

Consolidating customer and loan information, which provides data for the ongoing reclassification process to ensure that customer classifications faithfully reflect potential losses.

It is also responsible for controlling compliance with credit risk policies, and managing the pre-court collections process for Commercial Banking.

It also controls and monitors progress on real estate projects using reports prepared by the Real Estate Analysis Department.

Retail Risk:

This department is responsible for the entire credit process associated with retail customer transactions (Retail Banking), which includes defining the policies and procedures for this process and ensuring compliance, all in line with defined risk appetite. It is also responsible for monitoring transactions, ensuring risk is correctly classified. To accomplish this, the department is structured as follows:

a. Retail Risk Policies and Procedures Department:

Responsible for ensuring knowledge of the current Retail Credit Risk Policies, Guidelines and Procedures, through continuous training and certification, as well as the administration of such documents.

b. Retail Origination Department:

In charge of the large-scale (proactive) decision models that funnel loan offers for customers and prospects. It also processes individual lending decisions (reactive), through the different levels of the Credit Committee.

c. Retail Risk Monitoring Department:

Responsible for correctly classifying the Commercial Group customer portfolio.

Manage the control and periodic follow-up of the Retail Banking portfolio.

Raise early warnings to trigger portfolio risk redirection measures, based on the defined risk appetite.

Special Accounts Department

This department is in charge of the Bank's collection and recovery management. It has two departments in charge of each type of portfolio (commercial and retail) as well as a department in charge of collection and repossessed assets.

In addition, the project management department manages the risk of the real estate and structured portfolios.

2. Financial Risk

Financial Risk Department

This division is responsible for ensuring financial risk is effectively managed. It is staffed by six employees. Further information on its functions is available in section IV.

3. Non-Financial Risk (Operational Risk, Information Security and Cybersecurity):

Non-Financial Risk Department

This division is in charge of ensuring proper operational performance, business continuity, information security and cybersecurity, including risk management related to suppliers and ESG guidelines. Further information on its functions is available in section V.

4. Advanced Analytics and Risk Planning Department:

This division is responsible for universal processes and provides support to the rest of the division. Its responsibilities include internal monitoring, reporting, and management, model development and tracking, regulatory reporting, and management data processing.

a) Planning and Internal Control Department:

This department is responsible for centralizing central processes, such as the provisioning process at the month-end close, appraisal management and validation of regulatory files.

It is also responsible for monitoring compliance with management processes ensuring that policies and guidelines are updated,

and prepares reports for the Board and Comprehensive Risk Committee.

This department is responsible for preparing risk management and analysis reports, in order to efficiently manage risk, in accordance with the Bank's defined risk appetite.

It is also responsible for monitoring new market trends in credit risk management in search of new tools and processes to attain its objectives.

It participates in the management of CRWAs by supporting the Bank's capital department.

This department is responsible for maintaining the management's data and databases, coordinating system maintenance, and supporting the division in all IT-related matters.

This department is responsible for monitoring all of the Bank's models and making recommendations regarding any deviations detected.

b) Advanced Analytics and Modeling Department

Department in charge of model generation and maintenance, in accordance with the Bank's requirements and the guidelines derived from model monitoring.

In charge of generating data analysis in order to streamline processes and risk management.

It is also in charge of validating regulatory risk-related reports.

c) Regulatory Reporting Department

Area in charge of and responsible for all regulatory reports issued by the Bank.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

III. CREDIT RISK

A. Credit Risk Management Objectives:

The objective of the Credit Risk Department is to complete the three-stage loan approval process: Origination; Monitoring and Collection.

The above must be carried out in accordance with the risk tolerance (appetite) defined by senior management.

B. Credit Risk Structure:

The Credit Risk Department has numerous departments that participate throughout the entire loan approval process, supporting the Bank's sales departments at all times and acting as an independent counterweight during the loan decision-making process.

This department is made up of:

- Wholesale Risk
- Retail Risk
- Advanced Analytics and Control Planning

C. Definitions and amounts derived from "Expected Credit Losses".

Risk rating and assessments for the purpose of calculating allowances for loan losses depend on customer and product type. Customers can be rated individually or as a group, as detailed below:

<table>
<tr><th colspan="2">Individual Rating</th><th colspan="2">Group Rating</th></tr>
<tr><th>Customer Type</th><th>Methodology</th><th>Customer Type</th><th>Methodology</th></tr>
<tr><td rowspan="3">Companies (includes individuals with business accounts)
Real estate companies
Other
- Banks
- Restructuring of retail and commercial loans
- Non-profit
- Special group leasing</td><td rowspan="3">Business rules</td><td>Commercial portfolio</td><td rowspan="2">Standard Regulatory Matrix</td></tr>
<tr><td>Residential mortgage portfolio</td></tr>
<tr><td>Consumer portfolio</td><td>Internal model</td></tr>
</table>

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

C.1 Rating Individual Customers:

This group includes all customers (individuals or legal entities) that the Bank needs to understand and analyze in detail because of their size, complexity or exposure level. Customers in this segment are individually assessed, which includes customers with debt and sales above a specific level, and all projects, real estate companies, institutional companies, non-profit companies and bankruptcies.

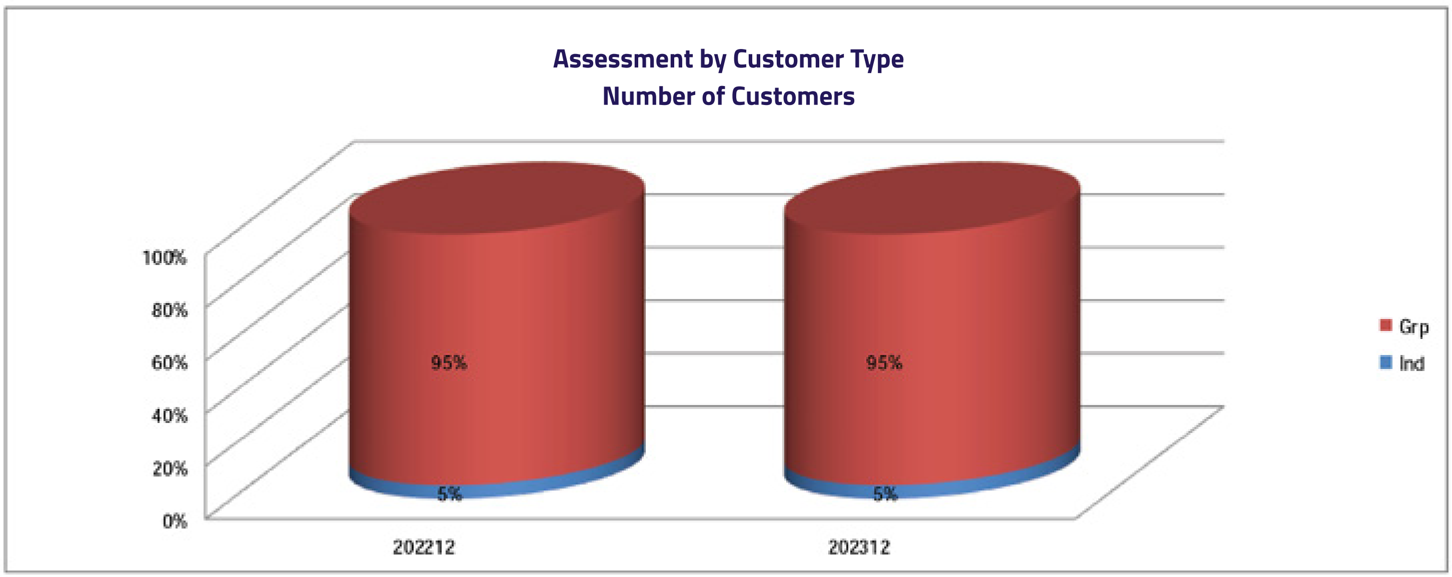
C.2 Rating Group Loans:

Group assessments are used for customers that tend to behave similarly. Thus, they are assessed using methodologies and models to analyze transactions related to the same product.

1. Commercial Products
2. Consumer Products
3. Mortgage Products

C.3 Distribution of Loan Portfolio:

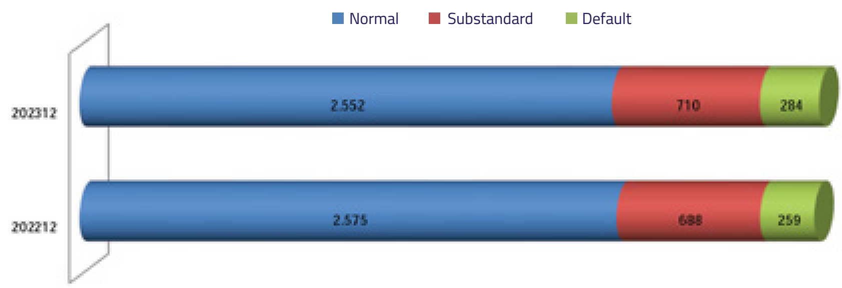
The Bank's portfolio is distributed as follows, based on the type of risk assessment used (i.e. group or individual):



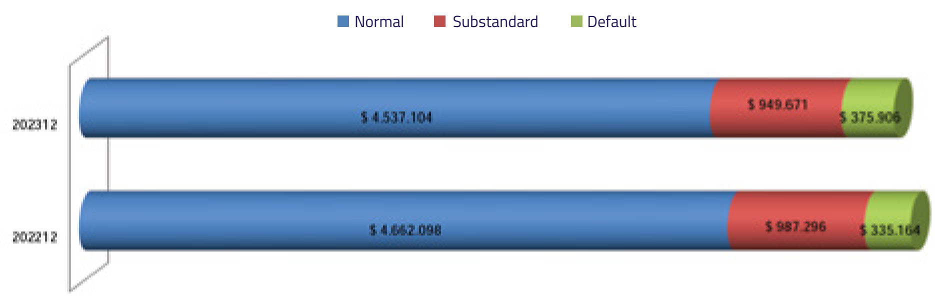
NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Individually assessed loans are distributed by category (normal, substandard and default) using the following criteria:

Distribution of Individual Assessed Loans
Number of Individual Customers
December 2022 - December 2023



Distribution of Individual Assessed Loans
Loan Amount (MCH$)



The normal portfolio includes those borrowers whose payment capacity allows them to comply with their obligations and commitments and, according to the evaluation of their economic and financial situation, is not expected to change. The ratings assigned to this portfolio are categories A1 through A6, from the following scale, as defined in section 2.1.1 of chapter B-1 of the CNCB.

The substandard portfolio includes debtors with financial difficulties or significant decline in their payment capacity and about which there are reasonable doubts regarding repayment of all principal and interest in the contractually agreed-upon terms, showing little room to meet its financial obligations in the short term. Those debtors who have recently made payments more than 30 days late also form part of the substandard portfolio. The ratings assigned to this portfolio are categories B1 through B4 of the scale specified below, as defined in section 2.1.1 of chapter B-1 of the CNCB.

The default portfolio includes debtors and their loans that are considered to be of doubtful recovery as they show an impaired or nil payment capacity. This portfolio consists of debtors that have ceased to pay creditors (in default) or with evident indication that they will do so, those for which a forced restructuring of debt is necessary to reduce the obligation or delay principal or interest payments, and any debtor with interest or principal balances more than 90 days past due for any loan. This portfolio includes borrowers classified under categories C1 to C6 in the classification scale established below and classification is assigned for all a debtor's portfolio at the classification at the riskiest level, including 100% of the loan commitments that those borrowers maintain.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

C.4 Portfolio concentration by economic sector

The distribution by economic sector of the portfolio and its exposure is as follows:

December 2023			
Sector	Exposure	Allowance Recognized	% Risk
Agriculture, fruit growing and forestry	198,841	7,441	3.74%
Real estate and service providers	1,313,884	18,027	1.37%
Wholesale and retail trade	598,416	25,158	4.20%
Construction	993,202	26,533	2.67%
Financial and insurance companies	1,117,821	50,121	4.48%
Manufacturing	260,898	14,733	5.65%
Mining – Oil	120,105	224	0.19%
Fishing	40,138	1,114	2.78%
Services	1,021,804	17,326	1.70%
Transportation and storage	458,857	4,673	1.02%
Utilities and telecommunications	133,785	11,541	8.63%
Other (consumer or mortgage)	1,495,070	27,551	1.84%
Overall total	**7,752,821**	**204,442**	**2.64%**

December 2022			
Sector	Exposure	Allowance Recognized	% Risk
Agriculture, fruit growing and forestry	255,053	9,379	3.68%
Real estate and service providers	1,237,779	14,488	1.17%
Wholesale and retail trade	667,369	19,829	2.97%
Construction	966,056	14,184	1.47%
Financial and insurance companies	1,874,817	41,825	2.23%
Manufacturing	331,029	14,851	4.49%
Mining – Oil	112,548	113	0.10%
Fishing	77,303	1,357	1.76%
Services	995,635	13,515	1.36%
Transportation and storage	518,262	9,269	1.79%
Utilities and telecommunications	218,413	14,741	6.75%
Overall total	**7,254,264**	**153,551**	**2.12%**

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

C.5 Individual portfolio collateral

Banco Security has high collateral coverage of its individual portfolio, as shown in the following table:

	Individual Portfolio: Percentage of exposure subject to collateral requirements December 2023						
	Type of Collateral						
Type of Risk	Commercial	Financial	Leasing	Other	Pledge	Residential	Overall total
Normal	92.18%	81.16%	78.47%	79.64%	54.23%	96.03%	61.20%
Substandard	97.12%	59.41%	92.43%	114.20%	64.87%	99.27%	88.14%
Default	93.34%	72.52%	83.76%	78.41%	78.43%	99.93%	83.73%
Overall total	**96.73%**	**75.57%**	**80.86%**	**61.99%**	**60.14%**	**90.88%**	**64.53%**

C.6 Portfolio distribution by delinquency:

Banco Security's portfolio has the following delinquency levels, detailed by product:

Portfolio	September 2023 MCH$				
	Loans	Past Due	NPL (> 90)	% Past Due / Loans	% NPL (> 90) / Loans
COMMERCIAL	5,710,489	166,356	131,398	2.91%	2.30%
CONSUMER	477,773	17,885	7,943	3.74%	1.66%
RESIDENTIAL MORTGAGE	1,129,267	29,789	9,414	2.64%	0.83%
	7,317,529	**214,030**	**148,755**	**9.29%**	**4.79%**
Total					

Portfolio	September 2022 MCH$				
	Loans	Past Due	NPL (> 90)	% Past Due / Loans	% NPL (> 90) / Loans
COMMERCIAL	5,817,622	167,379	125,646	2.88%	2.16%
CONSUMER	453,848	16,033	7,273	3.53%	1.60%
RESIDENTIAL MORTGAGE	1,004,137	27,668	7,987	2.76%	0.80%
Total	**7,275,607**	**211,080**	**140,906**	**9.17%**	**4.56%**

C.7: Distribution of Impaired Portfolio:

The impaired portfolio by type of assessment is detailed as follows:

Portfolio	September 2023 MCH$		
	Loans	Impaired	% Imp / Loans
Group	2,007,136	74,348	3.57%
Individual	4,715,884	520,301	9.94%
Total	**6,723,020**	**594,649**	**13.51%**

Portfolio	September 2022 MCH$		
	Loans	Impaired	% Imp / Loans
Group	1,861,155	63,203	3.28%
Individual	4,860,923	490,327	9.16%
Total	**6,722,078**	**553,530**	**12.44%**

IV. FINANCIAL RISK

A. Financial Risk Management Objectives

For the organization, financial activities are defined as all transactions that are closed by the Bank and its subsidiaries Valores Security and Administradora General de Fondos, either on their own account or on behalf of third parties.

In general, financial transactions include operations involving foreign currency, loans, financing instruments, fixed-income instruments, derivatives and stocks.

The strategic objectives of financial activities include:

• Strengthening and expanding the Bank's position, consolidating and developing term relationships with customers and different market players, and providing a full range of investment banking products.

• Improving and ensuring the stability of long-term returns and effectively managing the different potential risks.

Financial activities are limited to previously-approved strategic product areas and will only be carried out within the overall risk guidelines defined by the Bank's Board of Directors.

In managing the portfolio of financial investments, the organization will actively manage positions based on an ongoing analysis of economic and financial conditions. Therefore, positions in financial instruments will be in line with the consensus for the macroeconomic outlook. However, short-term trading positions can also be taken to capitalize on a one-time misalignment of a market variable.

In order to achieve the objectives established in the Bank's investment strategies, a broad range of currencies and products can be traded, always in accordance with current applicable regulations.

The Bank is primarily engaged in trading non-derivative fixed-income financial instruments, interbank funding, transactions with repo agreements, foreign currency spot sales and purchases, currency and interest rate derivatives (forwards and swaps), stocks and simultaneous operations.

Treasury products can be geared towards different objectives, such as profiting from short or medium-term variations in market factors, making returns by generating spreads with respect to the financing rate of positions, leveraging maturity gaps and slopes of interest rate structures or exchange rate differentials, engaging in economic and/or accounting hedges and distributing treasury products through the Bank's sales network.

Derivatives are particularly used to hedge risks, for market arbitrage some market or to take certain proprietary positions.

Hedge management using derivatives can use economic or accounting hedges, depending on the defined strategy.

Strategies with derivatives with accounting hedges can be used to hedge cash flows or the fair value of any item in the statement of financial position or expected transaction that generates risk or volatility in net income, in compliance with international accounting standards. These strategies must meet all requirements included in current regulations and their effectiveness is reviewed at least monthly for each hedge.

Risk management and control take place through policies, procedures, methodologies and limits, which create value for shareholders and the market in general, guaranteeing adequate solvency levels.

These internal limits, defined by portfolio type, maturity gaps, currency and instrument type based on the Bank’s risk appetite, allow the Bank to control risk levels and diversify investment portfolios.

The Bank's policies also allow it to require guarantees under certain circumstances, mainly for derivative transactions, in order to mitigate credit risk.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

B. Financial Risk Structure

The Board of Directors is responsible for approving risk management policies, limits and structures for the Bank and its subsidiaries. To accomplish this, it has set up several committees to monitor compliance with defined policies and limits. These committees are made up of board members and executives and provide the Board with regular reports on risk exposure, strategies and management results analyzed in those committees

The following committees currently analyze matters related to financial risk:

• Comprehensive risk committee: Propose, for the Board's approval, the risk appetite framework (RAF) and the risk appetite statement (RAS). Essential metrics, exposure and concentration limits. Guidelines and early warning systems.

• Finance Committee: Controls and manages financial investments from a short- and medium-term trading perspective and the risks associated with these portfolios.

• Asset and Liability Committee: Controls and manages the risk of gaps in assets and liabilities in order to stabilize and protect and control the Bank's financial margin and economic value. It also monitors liquidity gaps, diversification of funding sources, highly-liquid assets and risk-adjusted capital limits (solvency).

The objective of the Bank's financial risk management policies is to identify and analyze the risks faced by the Group, set concentration limits and put ongoing controls in place to monitor compliance.

The committees regularly revise these policies in order to incorporate changes in market conditions and the Bank's activities. Once revised, the changes are submitted to the Board for its approval.

The Financial Risk Department, which reports to the Risk Division, is charged with monitoring and controlling risks and is independent from the business areas that take and manage the risks.

This department is specifically responsible for:

Centralizing efforts to control and measure the different risks affecting the Bank and its subsidiaries by applying uniform policies and controls.

Ensuring that risk managers, senior management and the Board of Directors are kept informed of key matters regarding market and liquidity risk.

Assuring that recommendations from regulators and internal auditors are followed and appropriately implemented.

Daily reporting and monitoring of market and liquidity risk of the Bank and its Subsidiaries, as well as compliance with each of the limits.

Developing and reviewing the effectiveness of methods and procedures for measuring risk.

Risk is measured and controlled on a daily basis using risk reports used by senior management to make decisions. These reports include Value at Risk measurements and rate sensitivity for both the investment portfolio and the banking book as a whole, risk exposure by portfolio, instrument, risk factors and concentration and compliance with internal limits.

C. Financial Risk Process

Risk measurements are based on automated systems used to monitor and control the risk to which the Bank and its subsidiaries are exposed on a daily basis, thus allowing for proper decision-making.

The Treasury is in charge of taking positions and risks within the limits defined by senior management. It is responsible for managing financial risks arising from positions in investment books, from structural asset/liability gaps and from managing liquidity gaps and also for adequately funding operations.

The Internal Audit Department regularly assesses risk processes. The general risk structure is continuously being evaluated by the CMF, the Bank's independent auditors and other individuals who are independent from management.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

D. Definition of Financial Risks

a) Market Risk

Market risk represents the potential loss that can result from changes in market prices over a certain period of time as a result of variations in interest rates, foreign currencies, indexation and stock prices. These losses affect the value of financial instruments held for trading and available for sale, both for the Bank and its subsidiaries.

Market Risk Methodology

Market risk is measured using the Value at Risk (VaR) methodology, which allows the different risks and types of operations to be standardized, modeling the collective relationship of these factors in a single risk measurement.

VaR provides an estimate of the maximum potential loss from treasury positions of financial assets or liabilities in the event of an adverse, yet normal, scenario. The methodology used to calculate VaR is a parametric technique that assumes that the price returns on investments follow a normal distribution using a threshold of 95% confidence, a maintenance horizon of 1 day and a historical data sample of 250 days adjusted using statistical techniques to assign greater weight to more recent developments, in order to quickly capture increases in market volatilities.

The assumptions on which the model is based have some limitations, including:

A 1-day holding period assumes that it is possible to hedge or dispose of positions within that period. However, investment portfolios held for trading are comprised of highly-liquid instruments.

A confidence level of 95% does not reflect the losses that could occur in the remaining 5% of the distribution.

Value at risk is calculated with end-of-day positions and does not reflect the exposure that could arise during the trading day.

The use of historical information to determine possible ranges of future outcomes may not cover all possible scenarios, especially exceptional circumstances.

Market price returns of financial instruments can present abnormal probability distributions.

The limitations of the assumptions used by the VaR model are minimized using nominal limits for investment concentration and sensitivity to specific risk factors.

The reliability of the VaR methodology used is verified using backtesting, which is contrasted with the actual results obtained to determine whether they are consistent with the methodological assumptions within the given confidence levels. Ongoing monitoring of these tests allows the Bank to confirm the validity of the assumptions and hypothesis used in the model.

Control of financial risk is complemented with specific simulation exercises and stress testing to analyze different financial crises that have occurred in the past and the effect they may have on current investment portfolios.

These risks are monitored daily, reporting the risk levels incurred and compliance with the limits established for each unit to the risk managers and Senior Management.

Banco Security and its subsidiaries measure and limit Value at Risk in their investment portfolios (trading and available for sale) by risk factor, interest rates, currencies, instrument type and portfolio type.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

The market risks of the different investment portfolios by type of risk are detailed as follows:

VaR by Type of Risk	VaR by Type of Risk	
	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Trading:		
Fixed income (rate)	233	134
Derivatives (rate)	607	475
Embedded options (price)	1	2
FX (currency)	17	29
Shares (price)	–	1
Diversification effect	396	176
Total portfolio	**1,254**	**817**
Available for sale:		
Rate	365	1,113
Total portfolio	**365**	**1,113**
Total diversification	609	(221)
Total VaR	**2,228**	**1,709**

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Given the new regulations, relevant information is included in chapter 21-07 of the RAN, referring to MRWA (Market Risk Weighted Assets):

	As of December 31, 2023	
Market risk-weighted assets (MRWA)		
Individual		
MRWA	**RWA**	**Capital**
General interest rate risk	95,434	7,635
Specific interest rate risk	10	1
Currency risk	1,682	135
Options risk	-	-
General stock risk	-	-
Specific stock risk	-	-
Total	**97,126**	**7,771**

Market risk-weighted assets (MRWA)	**0**	
Consolidated	**0**	**0**
MRWA	**RWA**	**Capital**
General interest rate risk	109,164	8,733
Specific interest rate risk	15,710	1,257
Currency risk	1,304	104
Options risk	-	-
General stock risk	3	0
Specific stock risk	3	0
Total	**126,183**	**10,095**

b) Structural Interest Rate Risk

This risk stems mainly from commercial activity (commercial loans v/s deposits), caused by the effects of variations in interest rates and/or the slopes of interest rate curves to which assets and liabilities are indexed. When these show temporary repricing or maturity gaps, they can impact the stability of results (financial margin) and solvency levels (economic value of equity).

To do this, the Bank establishes internal limits using sensitivity techniques for interest rate structures. The Bank also uses stress testing to evaluate the sensitivity of interest rates, currency repricing, changes in stock prices, changes in underlying assets for options and changes in fees and commissions that may be sensitive to interest rates. This stress testing enables the Bank to measure and control the impact of sudden movements in the different risk factors that affect its solvency ratio, the financial margin and the economic value of equity.

Compliance with limits established by the Bank, in accordance with the definitions established by the Chilean Central Bank in Chapter 111.B.2.21 of the Compendium of Financial Standards and by the CMF in Chapter 12- 21 of the Updated Standards, is also monitored on a daily basis. The Bank also files a weekly report with the CMF on the risk positions of the investment portfolio within the trading book and limit compliance. It also files a monthly report with the CMF on the consolidated positions at risk (including subsidiaries) for the trading book and individually for the banking book, which includes sensitivity to market risk in the available-for-sale portfolio and the commercial book.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

In accordance with the methodology defined in Chapter 111.B.2.2 of the Compendium of Financial Standards of the Chilean Central Bank, market risk is detailed as follows:

Market Risk Banking Book	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Short-term		
Interest rate risk (short-term)	29,223	32,659
UF mismatch	3,401	619
Sensitive commissions	209	220
Total risk	**32,833**	**33,498**
Limit 35% margin (Board)	**152,626**	**122,995**
Surplus (Board)	**119,794**	**89,497**
Long-term		
Interest rate risk	34,968	37,895
Limit 25% RC (Board)	**315,215**	**291,147**
Surplus (Board)	**280,247**	**253,252**

The regulatory methodology is focused on measuring and controlling exposure to losses that may be incurred as a result of adverse changes in market interest rates or in the value, measured in domestic currency, of foreign currencies and indexation units or indices in which instruments, contracts and other transactions are denominated, which are registered as assets or liabilities.

That methodology involves classifying cash flows from the asset and liability positions into fourteen time bands. These amounts are sensitized in present value through movements in interest rate curves (this is the greatest risk factor for the positions of the Bank and its subsidiaries), assigning vertical and horizontal adjustments that attempt to simulate the effects of correlations between maturities and currencies.

For the banking book, the impacts on the interest rate curves are detailed as follows:

• In CLP and FX, 200 bp across the board for all control bands.

• In CLF, 400 bp for up to 1 year, 300 bp between 1 and 2 years and 200 bp for bands over 2 years.

The details of other types of lower-impact risks (indexation, options, currency) are detailed in Appendix 1 of Chapter 111.B.2.2

The entry into force of the new regulations, specifically Chapter 21-13 of the updated Compilation of Standards, brings into effect the R13 report, which determines the market risk exposure of the banking book. It mainly considers the impact on the short-term net interest and indexation (NII) capacity and the impact on the economic value of the entity (EVE).

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

	As of December 31, 2023	
NII	**Standalone**	**Consolidated**
Impact on short-term net interest generation	36,293	35,445
Impact on short-term net indexation	2,130	2,912
Net interest margin	424,918	426,100
Limit	35%	35%
NII%	**9.042%**	**9.002%**

EVE	**Standalone**	**Consolidated**
Impact on economic value	30,647	27,747
Tier 1 Capital	778,114	863,830
Limit	25%	25%
EVE%	**3.94%**	**3.21%**

c) Sensitivity to foreign currency exchange rate risk

The sensitivity in foreign currency for December 2023 is MUS$0.36, or MCH$314 in Chilean pesos (i.e. if the Chilean peso had weakened against the USD), which would result in a 10% increase in the exchange rate and a foreign currency gain of MCH$31.4 would be generated. On the other hand, if the opposite had happened (i.e. an appreciation of the Chilean peso against the dollar), there would have been a loss of MCH$31.4.

In general, the foreign currency position is limited given the Bank's internal limits, therefore, the effects of gains and losses from exchange rate movements will also be limited.

Note 46 "Financial and non-financial assets and liabilities by currency" shows the exposure of Banco Security and subsidiaries to foreign currency.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

d) Market risk exposure

The following table allocates assets and liabilities subject to market risk between the trading and non-trading portfolios.

December 31, 2023	Note	Carrying Amount MCH$	Subject to Market Risk	
			Trading Portfolio MCH$	Non-Trading Portfolio MCH$
Assets subject to market risk				
Cash and due from banks		-	-	-
Transactions in the course of collection		-	-	-
Financial assets held for trading at fair value through profit and loss	Neg FR	55,317	55,317	-
Financial assets not for trading that must be measured at fair value through profit and loss		-	-	-
Financial assets at fair value through profit and loss	Derivatives	156,551	156,551	-
Financial assets at fair value through other comprehensive income	DPV FR	1,751,533	-	1,751,533
Financial derivative instruments for hedging	CC	34,114	-	34,114
Financial assets at amortized cost	VEN FR	689,835	-	689,835

December 31, 2023	Note	Carrying Amount MCH$	Subject to Market Risk	
			Trading Portfolio MCH$	Non-Trading Portfolio MCH$
Liabilities subject to market risk				
Financial liabilities held for trading at fair value through profit and loss		-	-	-
Financial liabilities at fair value through profit or loss	Derivatives	159,005	159,005	-
Financial derivative instruments for hedging	CC	23,635	-	23,635
Financial liabilities at amortized cost		-	-	-
Lease liabilities		-	-	-
Regulatory capital financial instruments issued		401,095	-	401,095

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

The following is a summary of the Bank's non-trading interest rate gap position, which analyzes the full term structure of interest rate gaps within the Bank's balance sheet based on (i) the next repricing date or maturity date if floating rate or (ii) the maturity date if fixed rate.

December 31, 2023	Carrying Amount MCH$	Maturity						
		Demand MCH$	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$
Financial assets								
Cash and due from banks	409,732	409,732	–	–	–	–	–	–
Transactions in the course of collection	92,767	92,767	–	–	–	–	–	–
Financial assets not for trading that must be measured at fair value through profit and loss	–	–	–	–	–	–	–	–
Debt financing instruments	2,441,368		1,322,591	169,796	67,205	375,046	160,603	469,440
Rights for reverse repurchase agreements and securities lending	–	–	–	–	–	–	–	–
Loans and advances to banks	141	141	–	–	–	–	–	–
Customer loans and receivables – commercial	5,709,568	–	960,964	1,156,535	643,450	1,599,186	1,202,768	734,025
Customer loans and receivables – mortgage	1,129,267	–	24,112	807,672	159,286	195,494	236,780	40,887
Customer loans and receivables – consumer	477,773	–	191,322	667	63,309	97,572	168,428	24,213
Financial liabilities								
Transactions in the course of payment	77,692	77,692	–	–	–	–	–	–
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	–	–
Current accounts and other demand deposits	936,230	–	933,025	236	577	4,245	3,069	1,628
Savings accounts and other term deposits	2,951,326	–	1,174,450	–	–	1,189,581	91,470	555,805
Receivables from resale agreements and securities borrowing	–	–	–	–	–	–	–	–
Borrowings from financial institutions	1,491,430	–	32,825	–	–	1,313,245	–	86,674
Debt financing instruments	3,393,450	–	3,630	1,189,669	808,862	516,067	1,015,434	197,559
Other obligations	28,580	–	9,847	996	11,596	1,424	4,658	1,076
Lease liabilities		–	–	–	–	–	–	–
Regulatory capital financial instruments issued	401,095	–	–	418,385	45,908	18,930	41,854	2,185

December 31, 2022	Carrying Amount MCH$	Maturity						
		Demand MCH$	Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$
Financial assets								
Cash and due from banks	405,979	405,979	–	–	–	–	–	–
Transactions in the course of collection	48,802	48,802	–	–	–	–	–	–
Financial assets not for trading that must be measured at fair value through profit and loss	–	–	–	–	–	–	–	–
Debt financing instruments	1,769,853		524,278	247,989	602,800	418,444	81,147	111,308
Rights for reverse repurchase agreements and securities lending	9,076	–	–	–	–	–	–	–
Loans and advances to banks	–	–	–	–	–	–	–	–
Customer loans and receivables – commercial	5,814,907	–	943,485	910,520	1,485,003	1,139,716	810,274	1,113,898
Customer loans and receivables – mortgage	1,004,137	–	20,847	28,015	152,426	245,589	182,615	606,378
Customer loans and receivables – consumer	453,848	–	185,738	23,015	91,277	152,973	52,483	542
Financial liabilities								
Transactions in the course of payment	23,711	23,711	–	–	–	–	–	–
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	–	–
Current accounts and other demand deposits	1,039,497		1,028,302	2,486	11,852	2,766	1,495	236
Savings accounts and other term deposits	2,454,543		806,816	802,492	825,247	68,667	3	–
Receivables from resale agreements and securities borrowing	200		200	–	–	–	–	–
Borrowings from financial institutions	1,511,817		28,184	161,196	138,431	1,190,440	–	–
Debt financing instruments	3,260,855		3,433	13,753	446,819	1,181,160	717,462	1,212,259
Other obligations	32,380		13,749	1,159	1,262	4,345	3,738	8,861
Lease liabilities	–	–	–	–	–	–	–	–
Regulatory capital financial instruments issued	392,467		–	2,085	18,187	40,188	39,711	423,372

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

e) Other price risks

Other price risks include prepayment risk, which is modeled and applied in the C40 banking book file, modifying the payment flows. This model takes as input the contractual flows, which are modeled using the Hayre Lakhbir (2001) model, which proposes a decrease in interest due to prepayment while maintaining the principal amount. The principal only modifies its payment date due to prepayment, but the total amount remains the same.

This model updates its inputs on a monthly basis in order to have the most updated information possible. In this way, it correctly estimates future prepayments.

f) Liquidity risk

Liquidity risk represents the possibility of not fulfilling obligations when they mature as a result of the inability to liquidate assets or obtain funds, or not being able to dispose of them easily or offset exposure without significantly reducing prices due to insufficient market depth (market liquidity).

The following concepts are involved with liquidity risk.

- Maturity Risk: risk resulting from having different maturity dates for cash inflows and outflows.
- Uncollectibility Risk: risk arising from the inability to collect any cash inflows, given a non-payment, default or delinquency event.
- Funding Risk: risk produced by the inability to raise funds from the market, either in the form of debt or equity or, if able to do so, through a substantial increase in the cost of funds, affecting the financial margin.
- Concentration Risk: risk involved in concentrating both sources of funds and sources of income in a few counterparties that imply some abrupt change in the matching structure.
- Market Liquidity Risk: this risk is linked to certain products or markets, and refers to the risk of not being able to close or sell a particular position at (or close to) the last quoted market price due to low liquidity.

Liquidity risk methodology
The methodologies used to control liquidity are the liquidity gap, which considers probable behavior

scenarios for assets and liabilities, stress testing, liability concentration limits and early warning indicators.

The liquidity gap provides information regarding contractual cash inflows and outflows (i.e. those that will occur at a given future time according to asset and liability contracts). For items without contractual maturities, simulations are created based on statistical studies to infer maturity behavior.

Based on these scenarios, assumptions for normal operating conditions are established. These omit items (mainly assets) that create a set of conservative liquidity management conditions from daily management. They are limited through minimum mismatching margins per control segment defined on a weekly and monthly basis over a horizon of one year.

This is supplemented by special procedures to face a liquidity crisis and early warning indicators that can identify any potential risk.

A series of ratios and funding concentration limits by creditor and maturity are also controlled. This enables the Bank to keep its funding sources organized and diversified.

The Bank uses the contractual maturity methodology to comply with the regulatory liquidity limits established in Chapter 111.B.2.1 of the Chilean Central Bank's Compendium of Financial Standards and Chapter 12- 20 of the CMF's Updated Compilation of Standards.

Mismatches and compliance with consolidated regulatory limits by the Bank and its subsidiaries are reported to the CMF every three days.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Details of regulatory liquidity gaps as of December 31, 2023 and 2022, in all currencies presented in MCH$, are as follows.

	< 1 Month		1 - 3 Months		3 Months - 1 Year	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Available funds	493,345	547,719	–	–	–	–
Financial investments	831,330	877,706	450,958	307,287	1,169,499	11,758
Loans to other domestic banks	–	–	–	–	–	–
Commercial and consumer loans	529,305	656,813	596,523	583,069	1,636,946	1,318,877
Lines of credit and overdrafts	271,152	380,395	567,000	760,188	807,502	805,765
Residential mortgage loans	7,695	6,589	15,768	13,675	71,504	62,093
Other assets	96,648	144,902	71	–	–	–
Derivatives	278,273	191,209	107,649	187,413	147,739	162,130
	2,507,748	**2,805,333**	**1,737,969**	**1,851,632**	**3,833,190**	**2,360,623**
Current accounts and other demand deposits	927,390	1,023,338	–	–	–	–
Domestic interbank loans	2,205	1,769	1,040	1,040	1,188,983	4,506
Savings accounts and other term deposits	1,174,505	807,118	555,624	802,356	1,189,545	824,518
External funding	–	–	–	–	–	–
Mortgage bonds	62	100	30	95	243	275
Bonds	3,951	3,671	199,654	15,744	534,691	464,696
Lines of credit and overdrafts	272,486	385,229	567,311	764,873	818,951	817,805
Other liabilities	276,928	282,629	38,493	106,598	137,300	134,860
Derivative instruments	267,654	173,368	88,258	172,668	147,707	144,601
	2,925,181	**2,677,222**	**1,450,410**	**1,863,374**	**4,017,420**	**2,391,261**
Net cash flow	(417,433)	128,111	287,559	(11,742)	(184,230)	(30,638)
Accumulated net cash flow	(417,433)	128,111	(129,874)	116,369	(314,104)	85,731
Regulatory limit	(883,831)	(791,564)	(1,767,662)	(1,538,128)		
Limit exceeded by	(466,398)	(919,675)	(1,637,788)	(1,699,497)		

1 - 3 Years		3 - 6 Years		> 6 Years		Total	
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
–	–	–	–	–	–	493,345	547,719
49,940	254,194	40,507	207,285	52,416	281,551	2,594,650	1,939,781
–	–	–	–	–	–	–	–
1,457,225	1,522,174	1,181,981	1,241,275	1,529,478	1,685,994	6,931,458	7,008,202
–	–	–	–	–	–	1,645,654	1,946,348
510,423	423,623	414,013	345,449	535,731	469,215	1,555,134	1,320,644
–	–	–	–	–	–	96,719	144,902
119,894	114,884	97,248	93,683	125,839	127,248	876,642	876,567
2,137,482	**2,314,875**	**1,733,749**	**1,887,692**	**2,243,464**	**2,564,008**	**14,193,602**	**13,784,163**
–	–	–	–	–	–	927,390	1,023,338
–	1,190,440	–	–	–	–	1,192,228	1,197,755
32,968	34,811	30,342	15,530	28,160	18,329	3,011,144	2,502,662
–	–	–	–	–	–	–	–
122	310	113	138	104	163	674	1,081
1,264,661	1,831,819	1,163,934	817,227	1,080,224	964,495	4,247,115	4,097,652
–	–	–	–	–	–	1,658,748	1,967,907
50,292	42,406	46,286	18,919	42,957	22,328	592,256	607,740
116,188	155,350	106,934	69,306	99,243	81,795	825,984	797,088
1,464,231	**2,668,168**	**1,347,609**	**1,190,346**	**1,250,688**	**1,404,852**	**12,455,539**	**12,195,223**
673,251	(940,261)	386,140	966,572	992,776	1,476,898	1,738,063	1,588,940
359,147	(854,530)	745,287	112,042	1,738,063	1,588,940		

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Regulatory liquidity gap as of December 31, 2023 and 2022, in foreign currency presented in MCH$

	< 1 Month		1 - 3 Months		3 Months - 1 Year	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Available funds	318,227	354,255	–	–	–	–
Financial investments	140,873	144,568	208	202	8,955	202
Loans to other domestic banks	–	–	–	–	–	–
Commercial and consumer loans	95,561	117,131	102,893	127,579	160,409	152,267
Lines of credit and overdrafts	–	–	–	–	–	–
Other assets	32,197	38,318	71	–	–	–
Derivatives	218,472	91,915	78,362	67,634	92,613	51,851
	805,330	**746,187**	**181,534**	**195,415**	**261,977**	**204,320**
Current accounts and other demand deposits	197,767	302,112	–	–	–	–
Domestic interbank loans	–	–	–	–	–	–
Deposits and time deposits	251,216	109,772	110,151	220,601	229,829	142,861
External funding	–	–	–	–	–	–
Other liabilities	130,742	160,932	35,675	103,546	134,774	133,334
Derivative instruments	121,096	58,943	65,146	117,991	93,162	64,689
	700,821	**631,759**	**210,972**	**442,138**	**457,765**	**340,884**
Net cash flow	104,509	114,428	(29,438)	(246,723)	(195,788)	(136,564)
Accumulated net cash flow	104,509	114,429	75,071	(132,294)	(120,717)	(268,858)
Regulatory limit	(883,831)	(791,564)				
Limit exceeded by	988,340	905,993				

1 - 3 Years		3 - 6 Years		> 6 Years		Total	
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
–	–	–	–	–	–	318,227	354,255
–	3,041	–	2,480	–	3,368	150,036	153,861
–	–	–	–	–	–	–	–
116,938	169,650	94,850	138,343	122,736	187,908	693,387	892,878
–	–	–	–	–	–	–	–
–	–	–	–	–	–	32,268	38,318
59,115	48,205	47,949	39,309	62,046	53,393	558,557	352,307
176,053	**220,896**	**142,799**	**180,132**	**184,782**	**244,669**	**1,752,475**	**1,791,619**
–	–	–	–	–	–	197,767	302,112
–	–	–	–	–	–	–	–
34	2,197	31	980	29	1,157	591,290	477,568
–	–	–	–	–	–	–	–
44,074	33,817	40,564	15,087	37,646	17,805	423,475	464,521
49,218	83,970	45,298	37,461	42,040	44,212	415,960	407,266
93,326	**119,984**	**85,893**	**53,528**	**79,715**	**63,174**	**1,628,492**	**1,651,467**
82,727	100,912	56,906	126,604	105,067	181,495	123,983	140,152
(37,990)	(167,946)	18,916	(41,342)	123,983	140,153		

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Short-term consolidated and Bank-only gaps are added:

Consolidated liquidity position (C46) - Bank and Subsidiaries

(THCH$)

Contract Basis

Consolidated Currency	Up to 7 Days	8 to 15 Days	16 to 30 Days	0 to 30 Days	31 to 90 Days	0 to 90 Days
Cash flow payable	1,065,472,745	403,763,001	632,060,712	2,101,296,458	1,397,668,768	3,498,965,227
Cash flow receivable	1,132,006,082	500,160,305	875,580,296	2,507,746,683	1,737,969,166	4,245,715,849
Gap	**(66,533,337)**	**(96,397,304)**	**(243,519,584)**	**(406,450,225)**	**(340,300,398)**	**(746,750,622)**
Gaps subject to limits				(406,450,225)		(746,750,622)
Limits:						
Capital x1				883,831,135		
Capital x2						1,767,662,270
Available Margin				**1,290,281,360**		**2,514,412,892**

Foreign Currency	Up to 7 Days	8 to 15 Days	16 to 30 Days	0 to 30 Days	31 to 90 Days	0 to 90 Days
Cash flow payable	224,973,926	147,491,535	185,350,307	557,815,768	204,323,106	762,138,873
Cash flow receivable	414,666,992	134,831,802	255,831,675	805,330,470	181,533,253	986,863,723
Gap	**(189,693,066)**	**12,659,733**	**(70,481,368)**	**(247,514,702)**	**22,789,853**	**(224,724,850)**
Gaps subject to limits				(247,514,702)		
Limits:						
Capital x1				883,831,135		
Capital x2						
Available Margin				**1,131,345,837**		

Consolidated liquidity position (c46) - Bank

(THCH$)

Contract Basis

Consolidated Currency	Up to 7 Days	8 to 15 Days	16 to 30 Days	0 to 30 Days	31 to 90 Days	0 to 90 Days
Cash flow payable	1,006,911,547	402,257,038	631,049,334	2,040,217,918	1,396,154,948	3,436,372,866
Cash flow receivable	1,095,718,665	466,518,462	821,160,645	2,383,397,772	1,733,000,923	4,116,398,695
Gap	**(88,807,118)**	**(64,261,424)**	**(190,111,311)**	**(343,179,854)**	**(336,845,975)**	**(680,025,829)**

Foreign Currency	Up to 7 Days	8 to 15 Days	16 to 30 Days	0 to 30 Days	31 to 90 Days	0 to 90 Days
Cash flow payable	213,900,520	147,491,572	185,350,376	546,742,467	204,323,374	751,065,842
Cash flow receivable	405,138,936	134,831,802	255,831,675	795,802,413	181,533,253	977,335,666
Gap	**(191,238,416)**	**12,659,770**	**(70,481,299)**	**(249,059,946)**	**22,790,121**	**(226,269,824)**

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

The volume and composition of property, plant and equipment are as follows:

Consolidated Net Assets	Carrying Amount MCH$
Cash and deposits in BCCH	266,827
Savings accounts and other term deposits	1,224,136
Total high quality liquid assets	**1,490,963**
Other Liquid Assets	
Bank deposits and bonds	456,067
Corporate bonds	331,013
Total other	**787,080**

The main sources of funds are:

Sources of Third-Party Funding	Carrying Amount MCH$
Current accounts and other demand deposits	936,234
Savings accounts and other term deposits	2,951,326
Resale agreements	1,188,487
Bonds and commercial paper	3,793,905
Letters of credit and mortgage bonds	639
Other	660,913
Total	**9,531,505**

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

This regulatory methodology is based on measuring and controlling the difference between cash outflows and inflows, on and off balance sheet, for a given maturity or time band, which is known as a maturity gap.

Maturity gaps are calculated separately for domestic and foreign currency. Cash flows related to indexed items or those expressed in foreign currency but payable in domestic currency are always recognized in the maturity gap in domestic currency.

Chapter 111.B.2.1 V.1 No. 8, letter b, establishes the criteria for allocating flows among time bands. Asset accounts and their corresponding cash inflows are classified in a time band based on the latest maturity or contractual date of payment, as appropriate. Cash outflows related to liability accounts are classified in a time band based on the nearest contractual maturity date.

Likewise, to calculate gaps, debtors, depositors and creditors are classified as "wholesalers" (i.e. considering the effect on liquidity of each operation recognized in its books contractually with no adjustments based on the hypothesis of renewal—the most conservative position in liquidity management).

To supplement these gap analyses, the Bank monitors the amount of liquid assets backing net cash outflows over a 30-day horizon under stress scenarios (Liquidity Coverage Ratio or LCR).

LCR = High Quality Liquid Assets / Net Outflows Stressed up to 30 Days

The calculation methodology, assumptions and criteria are detailed in Chapter 12-20 of the CMF's Updated Compilation of Standards.

The LCR has a regulatory limit of 100% (2022 ratio).

Among its risk control policies, Banco Security has established internal limits that are more conservative than current regulations, maintaining a ratio above 100% at all times in 2023 and reaching 297.56% as of (C49) 12/31/2023.

Banco Security also measures its liquidity position under the NFSR ratio, a regulatory methodology that measures liquidity over the medium to long-term horizon resulting from the ratio of stable funding available to stable funding required.

This ratio has a daily compliance regulatory limit of 70%. However, Banco Security manages internal limits much higher than the regulatory limit, with a ratio of 107.04% (C49) as of 12/31/2023, based on consolidated figures for the Bank and its subsidiaries in all currencies.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Analysis of Maturities of Financial Assets and Liabilities

The following tables show the remaining contractual maturities of the financial liabilities and assets of Banco Security and subsidiaries:

December 31, 2023	Carrying Amount MCH$	Demand MCH$	Maturity Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$
Financial assets								
Cash and due from banks	409,732	409,732	–	–	–	–	–	–
Transactions in the course of collection	92,767	92,767	–	–	–	–	–	–
Financial assets not for trading that must be measured at fair value through profit and loss	–	–	–	–	–	–	–	–
Debt financing instruments	2,441,368		1,322,591	169,796	67,205	375,046	160,603	469,440
Rights for reverse repurchase agreements and securities lending	–	–	–	–	–	–	–	–
Loans and advances to banks	141	141	–	–	–	–	–	–
Customer loans and receivables – commercial	5,709,568	–	960,964	1,156,535	643,450	1,599,186	1,202,768	734,025
Customer loans and receivables – mortgage	1,129,267	–	24,112	807,672	159,286	195,494	236,780	40,887
Customer loans and receivables – consumer	477,773	–	191,322	667	63,309	97,572	168,428	24,213
Financial liabilities								
Transactions in the course of payment	77,692	77,692	–	–	–	–	–	–
Financial liabilities at fair value through profit or loss	–	–	–	–	–	–	–	–
Current accounts and other demand deposits	936,230	–	933,025	236	577	4,245	3,069	1,628
Savings accounts and other term deposits	2,951,326	–	1,174,450	–	–	1,189,581	91,470	555,805
Receivables from resale agreements and securities borrowing	–	–	–	–	–	–	–	–
Borrowings from financial institutions	1,491,430	–	32,825	–	–	1,313,245	–	86,674
Debt financing instruments	3,393,450	–	3,630	1,189,669	808,862	516,067	1,015,434	197,559
Other obligations	28,580	–	9,847	996	11,596	1,424	4,658	1,076
Lease liabilities	–	–	–	–	–	–	–	–
Regulatory capital financial instruments issued	401,095	–	–	418,385	45,908	18,930	41,854	2,185

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

December 31, 2022	Carrying Amount MCH$	Demand MCH$	Maturity Up to One Month MCH$	One to Three Months MCH$	Three Months to One Year MCH$	One to Three Years MCH$	Three to Five Years MCH$	More than Five Years MCH$
Financial assets								
Cash and due from banks	405,979	405,979	-	-	-	-	-	-
Transactions in the course of collection	48,802	48,802	-	-	-	-	-	-
Financial assets not for trading that must be measured at fair value through profit and loss	-	-	-	-	-	-	-	-
Debt financing instruments	1,769,853		524,278	247,989	602,800	418,444	81,147	111,308
Rights for reverse repurchase agreements and securities lending	9,076	-	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-	-	-
Customer loans and receivables - commercial	5,814,907	-	943,485	910,520	1,485,003	1,139,716	810,274	1,113,898
Customer loans and receivables - mortgage	1,004,137	-	20,847	28,015	152,426	245,589	182,615	606,378
Customer loans and receivables - consumer	453,848	-	185,738	23,015	91,277	152,973	52,483	542
Financial derivative instruments for trading	232,011	-	169,151	107,359	126,223	101,504	87,415	76,268
Derivative contracts for accounting hedges	46,843	-	2,471	60,060	30,477	16,570	7,116	6,662
Financial liabilities								
Transactions in the course of payment	23,711	23,711	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
Current accounts and other demand deposits	1,039,497	-	1,028,302	2,486	11,852	2,766	1,495	236
Savings accounts and other term deposits	2,454,543	-	806,816	802,492	825,247	68,667	3	-
Receivables from resale agreements and securities borrowing	200	-	200	-	-	-	-	-
Borrowings from financial institutions	1,511,817	-	28,184	161,196	138,431	1,190,440	-	-
Debt financing instruments	3,260,855	-	3,433	13,753	446,819	1,181,160	717,462	1,212,259
Other obligations	32,380	-	13,749	1,159	1,262	4,345	3,738	8,861
Lease liabilities	-	-	-	-	-	-	-	-
Regulatory capital financial instruments issued	392,467	-	-	2,085	18,187	40,188	39,711	423,372
Financial derivative instruments for trading	240,609	-	165,531	114,333	125,246	109,843	86,757	64,386
Derivative contracts for accounting hedges	21,451		4,338	55,958	4,128	4,803	2,143	-

g) Hedge Accounting

The Bank hedges assets or liabilities in the statement of financial position using derivatives in order to minimize the effects on profit or loss of possible variations in their market value or estimated cash flows.

At the inception of the hedge relationship, the Bank formally documents the relationship between hedging instruments and the hedged item, as well as the hedge's strategies and objectives and the methodologies for testing its effectiveness.

The effectiveness of the hedge relationship is tested using prospective and retrospective evaluations. The hedge is deemed highly effective if the results of the tests are between 80% and 125%.

As of December 31, 2023, the Bank has seven hedge accounting strategies to cover the following risks:

1. Cash Flow Hedging Strategy, to hedge the future cash flow risk of UF liabilities arising from bonds placed in UF.
2. Cash Flow Hedging Strategy, to hedge the future cash flow risk of UF assets arising from mortgages in UF.
3. Cash Flow Hedging Strategy, to hedge the future cash flow risk of loans in US$.
4. Cash flow hedging strategy to hedge the risk of future cash flows from foreign loans in USD.
5. Fair Value Hedging Strategy, using macro hedges to hedge the risk of volatility in interest rates in UF, arising from mortgage loans in UF.
6. Fair Value Hedging Strategy, to hedge CH$ rate risk, CH$ Bonds
7. Fair Value micro-hedging strategy for USD loans.

Embedded derivatives

These derivatives can be embedded in another contractual agreement (or host contract) and, therefore, are accounted for at market price separately from the host contract when it is not recognized at fair value since the characteristics and economic risks of the embedded derivative are not related to the characteristics and economic risks of the host contract.

Currently, the Bank carries at fair value through profit and loss embedded derivatives arising from variable rate mortgage loans that incorporate a fixed rate after a certain amount of time or a rate ceiling used by customers to obtain an option in their favor. These will generate negative effects for the Bank when market rates are above the rate ceiling on these loans. This effect is determined on a daily basis using sophisticated methodologies to evaluate options, and the change in fair value is treated as profit or loss for the year (increases in the theoretical value of that derivative are a loss for the Bank).

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

The relevant data for these embedded derivatives are as follows:

Embedded Derivatives	As of December 31, 2023 MCH$	As of December 31, 2022 MCH$
Balance MUF mortgage portfolio	15	18
Rate ceiling (average)	7.3%	7.2%
Option value MCH$	26	17

h) Other information related to financial risk

h.1) Offsetting financial assets and liabilities

The information disclosed below includes financial assets and liabilities that:

are offset in Banco Security's statement of financial position

are subject to an enforceable master netting agreement or agreement covering similar financial instruments, regardless of whether they are offset in the statement of financial position.

“Similar agreements" include derivative netting agreements, global master repurchase agreements and global securities lending agreements. “Similar financial instruments" include derivatives, repurchase and resale repurchase agreements, reverse repurchase and resale agreements and securities lending and borrowing agreements. Financial instruments such as loans and deposits are not disclosed in the following tables unless they are offset in the statement of financial position.

The ISDA, derivative contracts and similar master netting agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties to the contract a right to net the recognized amounts that is enforceable only upon an event of default, insolvency or bankruptcy of the Bank or the counterparties or upon other predetermined events. In addition, the Bank and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The Bank receives and provides guarantees in the form of cash and marketable securities with respect to the following transactions:

a. Derivatives;

b. Sale and repurchase agreements, and reverse sale and repurchase agreements; and

c. Securities lending and borrowing.

This guarantee is subject to industry standard terms, including, where applicable, an ISDA credit support rider. This means that securities received/delivered as guarantees can be pledged or sold during the term of the transaction, but must be returned at the maturity of the transaction. The terms also give each party the right to terminate the related transactions in the event that the counterparty fails to post guarantees.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Financial assets subject to netting, enforceable master netting agreements and similar agreements:

December 31, 2023	Gross financial assets recognized	Gross financial liabilities recognized and offset in the statement of financial position	Net assets presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net amount
				Financial instruments (including non-cash guarantees)	Cash guarantees received	
in MCH$	–	–	–	–	–	–
Types of financial assets	–	–	–	–	–	–
Trading derivative assets	29,883				27,128	2,755
Derivative instruments for hedging	–	–	–	–	–	–
Receivables from repurchase agreements and securities borrowing	–	–	–	–	–	–
Other	–	–	–	–	–	–

Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements:

December 31, 2023	Gross financial assets recognized	Gross financial liabilities recognized and offset in the statement of financial position	Net assets presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net amount
				Financial instruments (including non-cash guarantees)	Cash guarantees received	
in MCH$	–	–	–	–	–	–
Types of financial liabilities	–	–	–	–	–	–
Trading derivative liabilities	29,195	–	–	–	18,147	11,048
Derivative instruments for hedging	–	–	–	–	–	–
Receivables from repurchase agreements and securities borrowing	–	–	–	–	–	–
Customer deposits	–	–	–	–	–	–

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

The gross and net amounts of financial assets and liabilities disclosed in the tables above have been measured in the statement of financial position on the following bases:

a. Derivative assets and liabilities: fair value;
b. Assets and liabilities resulting from sale and repurchase agreements, reverse sale and repurchase agreements, and securities lending and borrowing: amortized cost
c. Loans and advances to customers: amortized cost; and
d. Customer deposits: amortized cost

i) Benchmark interest rate reform

A fundamental reform of the major global interest rate benchmarks is underway, including the replacement of some interbank offered rates (IBORs) with near-risk-free alternative rates referred to as "IBOR reform." Banco Security and subsidiaries have significant exposure to IBOR in its financial instruments that will be reformed as part of this market initiative. Most of the reforms affecting the Bank are expected to be completed by mid to late 2023. However, although there was a plan to discontinue sterling LIBOR and U.S. dollar LIBOR, consultations and possible regulatory changes are ongoing. This may mean that some LIBORs will continue to be published after the stated termination date. Banco Security and subsidiaries are in the process of analyzing and evaluating possible amendments to the contractual terms in response to the IBOR reform, and there is still uncertainty as to the timing and method of transition that will be defined. Banco Security anticipates that the IBOR reform will have significant operational, accounting and risk management impacts on all of its business lines.

The main risks to which Banco Security is exposed as a result of the IBOR reform are operational. For example, renegotiation of loan contracts through bilateral negotiation with customers, updating of contractual terms, updating of systems using IBOR curves, and review of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

Banco Security and subsidiaries will establish a cross-functional IBOR Committee to manage its transition to alternative rates. The objectives of the IBOR Committee include assessing the extent to which loans, loan commitments and anticipated liabilities relate to IBOR cash flows, whether such contracts should be modified as a result of IBOR reform, and how to manage communication about IBOR reform with counterparties.

Financial Derivative Contracts and Accounting Hedges.

Banco Security maintains derivatives for trading and accounting hedging purposes (risk management). Certain derivatives held for risk management purposes are designated in hedging relationships.

Derivatives such as interest rate swaps and cross currency swaps have floating legs that are indexed to various IBORs. In addition, the Bank's derivative instruments are governed by the 2006 ISDA definitions. ISDA has revised its definitions in light of the IBOR reform and published an IBOR fallbacks supplement on October 23, 2020. This sets out how modifications to the new alternative benchmark rates (e.g. SOFR, SONIA) in the ISDA 2006 definitions will be dealt with. The effect of the supplement is to create fallback provisions in derivatives that describe which floating rates will apply upon permanent discontinuance of certain key IBORs or ISDA. Banco Security has adhered to the protocol to implement alternatives to derivative instruments entered into prior to the effective date of the supplement.

The following tables show the total amounts of unreformed derivative instruments and amounts that include appropriate alternative language as of December 31, 2023. The Bank expects that both branches of cross-currency swaps will be reformed simultaneously. To date only one Libor Contract remains, which is in the process of being reformed.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

December 31, 2023	GBP LIBOR		USD LIBOR		EONIA	
	Total number of contracts not reformed	Amount with reformulated or adjusted clauses	Total number of contracts not reformed	Amount with reformulated or adjusted clauses	Total number of contracts not reformed	Amount with reformulated or adjusted clauses
Financial derivative instrument assets – Trading						
Interest rate swaps			–	102		
Cross currency swaps				5		
Financial derivative instrument liabilities – Trading						
Interest rate swaps			1	87		
Cross currency swaps			–	18		
Derivative instruments for hedging						
Interest rate swaps			–	2		
Cross currency swaps				3		

* To date only one Libor Contract remains, which is in the process of being reformed.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

V. NON-FINANCIAL RISK (OPERATIONAL RISK)

A. Definition

The Bank and its subsidiaries define operational risk as the risk of losses resulting from inadequate or faulty processes, staff and internal systems, or due to external incidents. This includes legal risks but excludes strategic and reputational risks.

Furthermore, loss (write-off) is defined as negative financial effects on the physical, financial or intangible assets of the Bank or its subsidiaries caused by the materialization of an operational risk. If this event does not cause negative financial effects, then it will be treated as an "incident" and all losses and incidents are recorded on a consolidated basis, in accordance with the current regulatory framework.

B. Objectives

The objective is to define a framework for managing operational risk in Banco Security and its subsidiaries. This includes establishing principles for identifying, assessing, controlling and mitigating such risk in order to reduce losses from operational risk, thus complying with corporate objectives, appetite definitions and operational risk exposure, where the framework for action is defined in board-approved policies.

C. Operational risk management strategy

Banco Security and its Subsidiaries, through its Non-Financial Risk Department (Operational Risk - Information Security and Cybersecurity), has a strategy in place to manage operational and cybersecurity risk, ensuring consistency with the volume and complexity of the activities of the Bank and its Subsidiaries. To this end, operational risk management lines of action have been defined, including Products, Processes and Projects, Fraud Prevention, outsourced services management, Business Continuity, and Information Security and Cybersecurity, considering an implementation.

The strategy defines the level of risk appetite and operational risk tolerance assumed by the Bank and its Subsidiaries. This allows managing mitigation and monitoring efforts for risks whose exposure is equal to or higher than the established tolerance. The strategy must be implemented throughout the entire Bank and its subsidiaries, which means that all personnel must understand and carry out their role in managing this risk.

The minimum areas considered by the strategy are the following: alignment and compliance with the internal and external regulatory framework in force, annual planning, operational risk model and methodology, and tools to manage and monitor all operational risks of the Bank and Subsidiaries.

D. Non-Financial Risk Structure

The Non-Financial Risk Department (Operational Risk and Cybersecurity) reports to the Risk Division. Its management is articulated through three units: the Operational Risk Processes Department for the Bank and its subsidiaries, the Capital Risk Management Department for OR and Business Continuity, which addresses, among other activities, the management of external frauds and outsourced services. Finally, we have the Information Security and Cybersecurity Department, which has recently gained importance in managing external frauds and outsourced services. It also manges the patterns and profiles of those who perpetrate illegal acts and who intend to affect the Organization, providing second-line support in all ongoing digital transformation and operational continuity processes.

According to the operational risk policy approved by the Board, risk management is supported by: the process managers and executors, who are the primary risk managers (first line of defense, in their role as process owners); the Non-Financial Risk Department is responsible for the management and monitoring of operational risk (second line of defense), by proposing policies and a risk management framework. During the year, new risk manager roles were assigned to each of the divisions in order to strengthen and mature operational risk management within the organization. The Board, the Comprehensive Risk Committee and the Operational Risk Committee are also responsible for ensuring that the Bank has an operational risk management framework in line with the defined objectives and best practices, and that the necessary conditions (trained personnel, organizational structure, budget) are in place to implement this framework. The third line of defense is the Internal Control Department,

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

which plays an important role in ensuring that the model to manage this risk is correctly implemented. This model has three lines of defense with a process approach and continual audit monitoring.

Operational Risk Management

In order to properly manage risk and comply with the objectives defined by the Bank in its Operational Risk Policy and other related policies, a series of activities have been developed as the basic pillars for implementing the Operational Risk Management Framework, as described below:

• **Culture:** Raising awareness of the importance of operational risk management across the entire organization, which should be universal and incorporate every organizational level.

• **Qualitative Management:** Managing by detecting present and potential risks in order to manage them effectively. That means avoiding, transferring, mitigating or accepting such risks. Qualitative management is based on:

– Executing a process to identify and assess Operational Risks in processes and projects carried out by the organization.

– Managing an incident log.

– Tracking key risk indicators (KRI) for the organization's main risks, based on its risk appetite.

– Monitoring critical and non-critical suppliers.

• **Qualitative Management:** Creating awareness in the organization of the level and nature of consolidated operational loss events at a consolidated level. This enables the Bank to budget for the effects of expected losses and to efficiently allocate capital for unexpected losses. Quantitative management is based on actively managing the operational loss database, which contains all events that have generated such losses with sufficient detail to attack the root causes of the events using analysis.

E. Operational Risk Management Framework

The Operational Risk Management Framework is applied in the following stages:

• **Setting the context:** Setting the strategic, organizational and risk management context within which the process will take place. The Bank must stipulate the criteria for assessing risks and define the analysis structure.

• **Identifying risks:** Associating risks with the numerous processes and/or procedures executed as part of the various activities carried out by the Bank and its subsidiaries, for existing products and services, as well as new products and services resulting from digital transformation.

• **Analyzing risks:** Specifically analyzing each of the risks detected based on the context set to determine whether that risk has sufficient controls or requires an action or mitigation plan. This situation will be established in accordance with the priorities of the Bank and its subsidiaries.

• **Assessing the risks:** Assessing each of the risks based on the probability of occurrence and the level of impact.

• **Mitigating the risks:** Once risks have been detected and assessed, an analysis will be performed. To accomplish this, the Bank will define an action plan, assign an individual in charge of executing it and set a date for its resolution.

• **Monitoring and reviewing:** Monitoring, reviewing and updating the risk survey and resolution commitments from the person in charge; Live risk. With a continuous control testing process.

• **Communicating and consulting:** Communicating and consulting with internal and external stakeholders, as appropriate, in each stage of the risk management process, considering the process as a whole.

• **Culture:** Developing various initiatives that help the organization to understand every aspect of operational risk, in order to make the model sustainable and manage operational and cybersecurity risk.

VI. RISK COMMITTEES

In order to correctly manage risks, Banco Security has set up several risk committees, as described briefly below:

A. Comprehensive Risk Committee:

This committee's objective is to thoroughly review all the risks faced by the Bank and those that may impact it in the future. Based on this review, it generates guidelines and approves action plans in order to meet the objectives outlined in the budget based on the defined risk appetite.

This committee also reviews credit risk policies and processes and lending authority and any proposed amendments.

This instance also provides a summary of all the risks faced by the institution. They are reviewed through tables of essential and complementary metrics to evaluate the different types of risk, presenting a picture of any potential deviations and the corresponding action plans aimed at redirecting the variables within the range defined in the Risk Appetite Statement (RAS).

This committee is also in charge of presenting topics, committee resolutions, and policies to the Board for approval.

This committee meets monthly and its members are:

- Four directors
- Chief Executive Officer
- Division managers (Commercial, Risk, Finance, Operations and Planning)
- Commercial Risk Manager
- Retail Risk Manager
- Compliance Manager

B. Credit Risk Committees:

The credit risk committees are the Board Credit Committee and the Executive Credit Committee. The Bank's retail banking and commercial banking credit risk policies clearly specify the criteria used to identify which committee should analyze each transaction. The sales areas have almost no lending authority on their own and must almost always obtain approval from the credit risk areas or the respective committees in order to approve loans.

Composition of Credit Risk Committee:

The Board's Credit Risk Committee is comprised of 4 directors, the Bank's CEO, the Bank's Risk Division Manager and the Commercial Admissions Manager.

In addition to it, there is also a managers' credit committee.

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

Matters addressed:

These committees are responsible for approving or rejecting the loan applications submitted to the appropriate committee based on the loan amount and conditions.

Frequency:

The Board Credit Risk Committee meets every Tuesday and Thursday (except the second Thursday of each month) while the Executive Credit Risk Committee meets every Wednesday.

Board Involvement:

The Board is highly involved with the credit risk process through the Board Credit Risk Committee. Two board members and the chairman of the Board participate on this committee, which is the Bank's main credit risk body and is responsible for approving the most important transactions.

C. Credit Risk Rating Committee

This committee's objective is to review customer risk classifications in light of new developments that may downgrade or upgrade their risk rating provided by the rating system.

This committee meets monthly and is comprised of:

- Chief Executive Officer
- Risk Division Manager
- Commercial Division Manager (depending on the case being assessed)
- Retail Division Manager (depending on the case being assessed)
- Commercial Risk Manager
- Retail Risk Manager
- Commercial Division Agents (depending on the case being assessed)
- Commercial / Retail Risk and Monitoring Control Deputy Managers

D. Watch Committee

This committee is responsible for monitoring and controlling operations and customers by reviewing information on potential future problems (asymptomatic), non-evident variables and evident variables. It also monitors any previously given instructions.

There are two types of committees:

i. The Board Watch Committee.
ii. The Monitoring or Executive Watch Committee.

E. Model Committee

This committee meets to review and monitor all models used for credit risk management. It is also charged with approving new models and monitoring progress. It also reviews the credit risk methods that the Bank uses or is considering using.

F. Finance Committees

This committee's objective is to jointly evaluate positions in financial investments and risks taken by the Bank and its subsidiaries, defining strategies to be adopted and validating compliance.

Its main duties include reporting on each unit's performance regarding profits and margins versus budget, aligning strategies and escalating investment and divestiture decisions.

The Financial Committee is also responsible for proposing risk management policies and methodologies for managing financial assets to the Board and ensuring compliance with market risk limits.

This committee is comprised of:

- Two Banco Security board members.
- Chief Executive Officer at Banco Security
- Finance Division Manager at Banco Security
- Planning and Management Control Division Manager at Banco Security
- Chief Financial Officer at Valores Security

G. Operational Risk Committees

NOTE 47 – RISK MANAGEMENT AND REPORTING (CONTINUED)

This committee's objective is to define the guidelines for properly managing operational risk and giving continuity to the operational risk management model, policies and strategy, approving action plans and control indicators that help mitigate it, in addition to being knowledgeable of operational risks and how they are managed by the Bank and its subsidiaries, among other activities.

Periodicity

The Operational Risk Committee meets regularly, ideally monthly or as otherwise needed.

Members of Operational Risk Committee

- Director (committee chairman)
- Chief Executive Officer (committee vice chairman)
- Operational Risk and Cybersecurity Division Manager (committee Secretary)
- Operations and IT Division Manager (replaces vice chairman)
- Commercial Banking Division Manager
- Retail Banking Division Manager
- Finance and Corporate Division Manager
- Planning and Control Division Manager
- Credit Risk Division Manager
- General Counsel
- Information Security and CISO Officer
- Asset Management Division Manager
- Compliance Manager
- Controller*

The Operational Risk Committee reports to the Comprehensive Risk Committee.

Board Involvement

The Board of Directors is informed about operational risk management, both at the level of the Bank and its subsidiaries, since they are periodically informed of, among other aspects, the degree of compliance in implementing the Operational Risk Policy and other policies associated with the matter, as well as the occurrence of incidents and potential risks associated with operational and cybersecurity risks through quantitative and qualitative information on processes, products and services, both current and new, among other matters.

H. Asset and Liability Committee

This committee is responsible for managing and controlling (1) structural maturity and currency gaps in the statement of financial position, (2) liquidity and (3) the Bank's financial margin and stability, as well as for (4) defining and controlling capital management policies.

The standing members of this committee are:

- Two board members
- Chief Executive Officer
- Finance and Corporate Division Manager
- Risk Division Manager
- Financial Risk Manager
- Planning and Management Manager
- Trading Desk and Investment Manager
- Distribution Desk Manager
- Asset and Liability Management Desk Manager
- Commercial Banking Division Manager
- Retail Banking Division Manager
- Foreign Trade and International Services Manager

(*) The Controller for Banco Security must attend committee meetings but does not have any responsibility for risk management carried out by the first and second lines of defense. His or her role is to ensure that any potential corrective measures in response to observations on audited areas are properly implemented.

NOTE 48- INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS

Banco Security is committed to maintaining a strong capital base to support the risks associated with its diversified businesses. Strong capital levels contribute to the financial security of the Bank's customers, foster investor confidence and support solid credit ratings. They also enable the Bank to take advantage of growth opportunities as they arise and improve shareholder returns through larger dividends. The Bank's capital management framework includes a Regulatory Capital Self-Assessment Process, the objective of which is to ensure that capital is adequate to meet current and future risks and achieve its strategic objectives.

The key components of the Bank's Regulatory Capital Self-Assessment Process include the business model and medium-term strategy, the definition and update of the Comprehensive Risk Appetite Framework, the definition of the Inherent Risk Profile, sound corporate governance, risk management and control, allowing it to manage and monitor capital, both currently and prospectively, to analyze capital strength using appropriate financial metrics that relate risk to capital, including internal capital and regulatory capital measures, stress testing and, finally, effective control of the capital assessment process including an independent review of the capital management function.

The primary regulator of Banco Security and subsidiaries is the Financial Market Commission (CMF), which establishes and supervises the capital requirements for Banco Security as a whole.

The CFC adopted the Basel III capital requirements effective December 1, 2021. In this regard, progress has been made in the implementation of Basel III, covering the calculation of systemic importance, regulatory capital and risk-weighted assets (Pillar 1). In this regard, the third equity self-assessment process (Pillar 2) and the first publication of Pillar 3 market discipline were also carried out in the first half of 2023.

I. GOVERNANCE AND SUPERVISION

The Bank has a sound capital management framework in place to measure, deploy and monitor its available capital and assess its adequacy. Capital is managed in accordance with the Capital Management Policy approved by the Board of Directors. In addition, the Board of Directors reviews and approves the Bank's annual capital plan.

The Strategy and Capital Committee (CEC) provides governance over the capital management process, whose function is to review, propose and establish relevant aspects of capital management, as well as to propose actions necessary for proper compliance with regulations and best practices. This committee is the governance structure that incorporates the risk identification, assessment and appetite into strategic and capital planning and aligns these visions, in accordance with board instructions. The main purpose of the Strategy and Capital Committee is to validate, approve, implement and monitor the strategy and capital management of the Bank and its subsidiaries, to ensure that it complies with the regulator's requirements and with all associated local and international best practice.

In addition, in order to properly monitor Banco Security's management of its different risks, it needs a Senior Management Committee to present, approve, track and sanction relevant aspects in accordance with the defined risk appetite. The purpose of the Comprehensive Risk Committee is to support the Board in fulfilling its responsibilities of supervising risk management at the Bank and its subsidiaries in line with their strategic objectives.

II. RISK APPETITE

The Risk Appetite Framework establishes the tolerance to each of the different risks present in the company's activity, and also defines the capital objectives in the strategic planning and stress testing environment. The framework covers medium-term objectives with respect to regulatory capital thresholds, earnings and other risk-based parameters. These objectives drive behavior to ensure that the Bank achieves the following overall objectives: exceed regulatory and internal capital targets, manage capital levels commensurate with the Bank's risk profile, maintain strong credit ratings and provide the Bank's shareholders with targeted returns.

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

III. REGULATORY CAPITAL

Chilean banks are subject to capital adequacy requirements as established by the Financial Market Commission in its Updated Compilation of Standards (RAN). Chapter 21-1 of the RAN defines the prudential regulatory adjustments and exclusions to asset and liability items to be applied in calculating regulatory capital in terms of Article 66 of the General Banking Law (LGB). Here, the recommendations and methodologies proposed by the Basel Committee on Banking Supervision (BCBS) have been taken into consideration. The regulatory capital factors must be used to comply with the limits in the LGB, and capital must be appropriately managed. In addition, Chapter 21-2 and 21-3 of the RAN define the minimum requirements and conditions that must be met by issuances of preferred shares and perpetual bonds and subordinated bonds in order for them to be counted as additional tier 1 or AT1 capital and tier 2 capital (T2).

Chapter 21-30 of the RAN indicates the relationship between core capital and total assets, where, according to Article 66 of the LGB, core capital may not be less than 3% of total assets net of required allowances. Additionally, Article 66 quater of the LGB empowers the CMF to establish an additional requirement of up to 2.0 percentage points for banks classified as systemic, in accordance with the factors and methodology described in Chapter 21-11 of the RAN and the regulator's resolution.

Apart from that, Chapters 21-6, 21-7 and 21-8 of the RAN establish the methodologies that banks must consider to determine their risk-weighted assets for credit risk, market risk and operational risk, respectively.

Thus, the LGB (updated via Law 21,130) sets general guidelines for establishing capital adequacy in line with international Basel III standards. It gives the CMF the authority to dictate the capital framework through prudent regulations. It also introduced conservation and countercyclical buffers and expanded the CMF's powers to make prudential discounts to regulatory capital and to require additional measures, including higher capital, for banks with deficiencies in the oversight assessment process (Pillar 2 - Chapters 1-13 and 21-13 of the RAN). The implementation of Basel III allows risk management to concentrate on a more comprehensive view of risks, with a focus on capital adequacy.

On January 17, 2024, the CMF issued a press release informing about the result of the supervisory process that included the evaluation of the business models of each banking entity and agreed to the application of Pillar 2 capital requirements of 1.25% for Banco Security. The additional capital requirements must be made up by banks at 25% as part of the minimum regulatory requirements, no later than June 30, 2024. The remaining percentage must be met as mandated by the CMF based on an annual assessment of capital adequacy.

Chapter 21-20 of the RAN also contains provisions to promote market discipline and financial transparency through the disclosure of meaningful and timely information from banks to market participants. Thus, the Pillar 3 document allows the market and information users to know the risk profile of local banking institutions, their position and equity structure in a single format, thus reducing information asymmetries.

The new definition of regulatory capital considers 3 levels: core capital or common equity tier 1 (CET1), additional tier 1 capital (AT1) and tier 2 capital (T2). The sum of them defines regulatory capital.

The above elements must be applied to meet the regulatory limits set by the LGB, both on a local consolidated basis (the Bank and its subsidiaries in Chile) and a global consolidated basis (the Bank and its subsidiaries in Chile and abroad).

The Bank's regulatory capital consists of the following elements.

IV.1. REGULATORY CAPITAL:

In accordance with Article 66 of the LGB, the regulatory capital (RC) is comprised of core capital and the other factors specified in this regulation.

The factors comprising regulatory capital (RC) are: a) core capital or common equity tier 1 (CET1); b) perpetual bonds and preferred shares referred to in Article 55 bis of the LGB or additional tier 1 capital (AT1); tier 1 capital

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

(T1) is defined as the sum of CET1 and AT1; and c) subordinated bonds and voluntary allowances for loan losses or tier 2 capital (T2). The factors that make up each component listed below are configured based on what is prescribed by the LGB.

1. Core Capital or Common Equity Tier 1

Common equity tier 1 is the highest quality component as it absorbs losses immediately when they occur. This is composed of the sum of the following elements in equity, where the addition of the elements indicated up to letter e. correspond to owners' equity as defined by the CNCB:

a) Paid-in capital of the Bank for subscribed and paid-in common shares.

b) Premiums paid on the instruments included in this capital component.

c) Reserves, whether non-earnings- or earnings-related, for depreciation of perpetual bonds and for forfeiture of perpetual bonds.

d) Items of "accumulated other comprehensive income."

e) Retained earnings from prior years, profit (loss) for the year, net of provisions for minimum dividends, repricing of perpetual bonds and payment of interest and/or dividends on regulatory capital financial instruments issued.

Non-controlling interest as indicated in the CNCB. Common shares issued by subsidiaries consolidated by the Bank that are subscribed by third parties and are part of the non-controlling interest according to International Financial Reporting Standards (IFRS) must comply with point a) above. In the case of foreign subsidiaries, they must also ensure compliance with the requirements set forth in Appendix 1 of Chapter 21-1 of the RAN. In the case of subsidiaries that do not have equivalent banking supervision standards and/or capital requirements, the non-controlling interest may only be recognized if the subsidiary that gives rise to it is also supervised by the CMF.

The core capital or CET1 corresponds to the components indicated in the aforementioned paragraphs and the regulatory adjustments set forth in Title III of Chapter 21-1 of the RAN.

2. Additional Tier 1 Capital

Additional Tier 1 capital is that, like CET1, absorbs losses when the Bank is in operation, but is subject to the activation of triggers described above that define the requirements and conditions that must be met by preferred shares and perpetual bonds to be considered regulatory capital. Therefore, it is the sum of the perpetual bonds and preferred shares issued by the Bank referred to in Article 55 bis of the LGB that meet the requirements in the aforementioned Chapter to be considered additional Tier 1 capital.

Additional Tier 1 capital corresponds to the above components and the regulatory adjustments set forth in Title III of Chapter 21-1 of the RAN. This value may not exceed one third of core capital.

3. Tier 1 Capital

Tier 1 capital is intended to absorb losses when the Bank is in operation. It is equal to the sum of common equity tier 1 and additional tier 1 capital.

4. Tier 2 Capital

Tier 2 capital is designed to absorb losses when the Bank enters liquidation and is composed of the sum of the following factors:

a. Subordinated bonds issued by the Bank that meet the requirements established in Chapter 21-3 of the RAN, which defines the requirements and conditions that subordinated bond issuances must meet to be included in Tier 2 capital. The value of the subordinated bonds, including Title III regulatory adjustments (21-1 RAN), may not exceed 50% of core capital.

b. Voluntary allowances for loan losses that the Bank has recognized, as established in No. 9 of Chapter B-1 of the CNCB, up to an amount equivalent to 1.25% of the credit

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

risk-weighted assets (CRWA), net of required allowances, calculated using standardized methodologies, or 0.625% of CRWA using internal methodologies.

Tier 2 capital corresponds to the above components and the regulatory adjustments set forth in Title III (21-1 RAN).

5. Regulatory Capital

Regulatory capital will be composed of the sum of the factors indicated in Article 66 of the LGB, which have been referred to as Tier 1 and Tier 2 capital above.

IV.2 RISK-WEIGHTED ASSETS

In accordance with the provisions of Article 67 of the LGB, Chapter 21-6 of the RAN establishes the methods that banks must consider to determine their credit risk-weighted assets (hereinafter CRWA).

The standard method, which is the method currently allowed in the domestic market, considers the following aspects:

CRWAs are determined as the weighted sum of the exposures subject to capital requirements, determined in accordance with paragraph 2 of Chapter 21-6 of the RAN, and the credit risk weights (hereinafter, CRW) applicable to such exposures.

In the event that the exposures have a credit risk mitigator, it may be appropriate to adjust the CRWAs with the use of one of the Credit Risk Mitigation Techniques (hereinafter CRM), as indicated in paragraph 5 of Chapter 21-6 of the RAN.

The CRW applicable to the exposure affecting capital requirements shall be established based on the type of counterparty. When the CRW depends on external ratings, the provisions of Appendix No. 1 of Chapter 21-6 of the RAN must be considered.

The Basel III approach is not based on accounting criteria, but rather on the underlying risk. Thus, all exposures secured by mortgage collateral (e.g., home mortgage loans) will be treated as residential real estate secured exposures, regardless of the type of portfolio. Non-mortgage credit exposures can be treated through the commercial or retail exposures section, as shown in charts 1 and 2.

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

FIGURE 1 – TREATMENT OF THE MAIN EXPOSURES

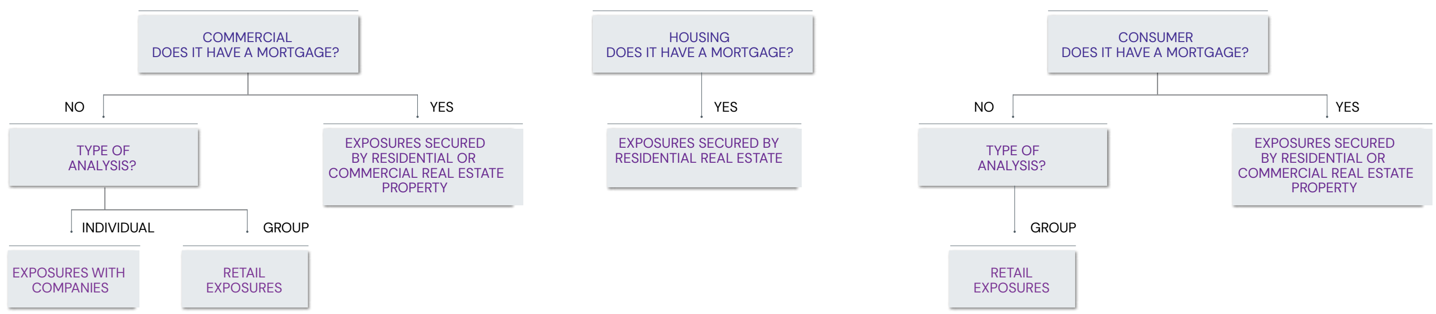
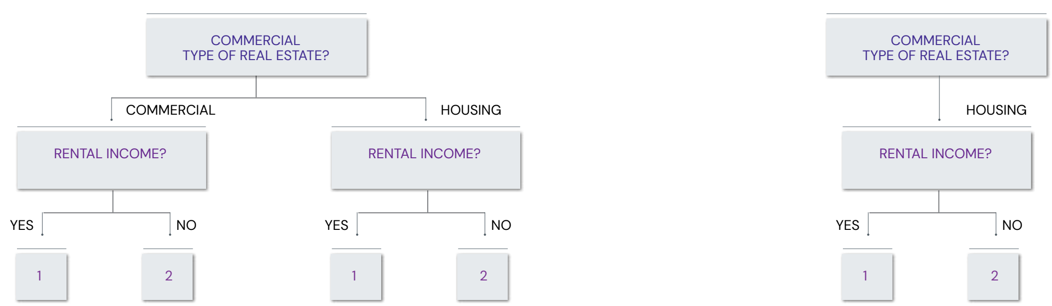


FIGURE 2 – TREATMENT OF EXPOSURES SECURED BY MORTGAGE



For each treatment, illustrative examples are given, according to the numbers in the graph above.

1. A company takes out a secured loan for a strip center and uses the real estate to make rental income to pay off the debt.
2. A company takes out a loan secured by the storage warehouse.
3. An individual with a business takes out a loan secured by a real estate investment.
4. A small business takes out a loan by mortgaging the owner's home.
5. An individual takes out a loan to purchase real estate, which will be leased to pay dividends. Consumer loans will be treated like this if the guarantee is general in nature.
6. An individual takes out a loan to purchase the home he/she lives in.

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

Apart from that, in accordance with the first paragraph of Article 67 of the LGB, Chapter 21-7 of the RAN establishes the standardized methodology for calculating market risk-weighted assets (hereinafter MRWA).

The calculation of MRWAs applies to financial instruments classified in the banking book. It has a general market component, associated with movements in benchmark interest rates, foreign currencies, commodities and stock prices; and a specific component, associated with idiosyncratic aspects of the issuer, such as credit spread and default. Additionally, foreign currency and commodity risk is considered for banking book positions. banking book rate risk should be measured in accordance with RAN Chapter 21-13. This calculation methodology applies both at the consolidated and domestic consolidated level, with the latter excluding foreign subsidiaries.

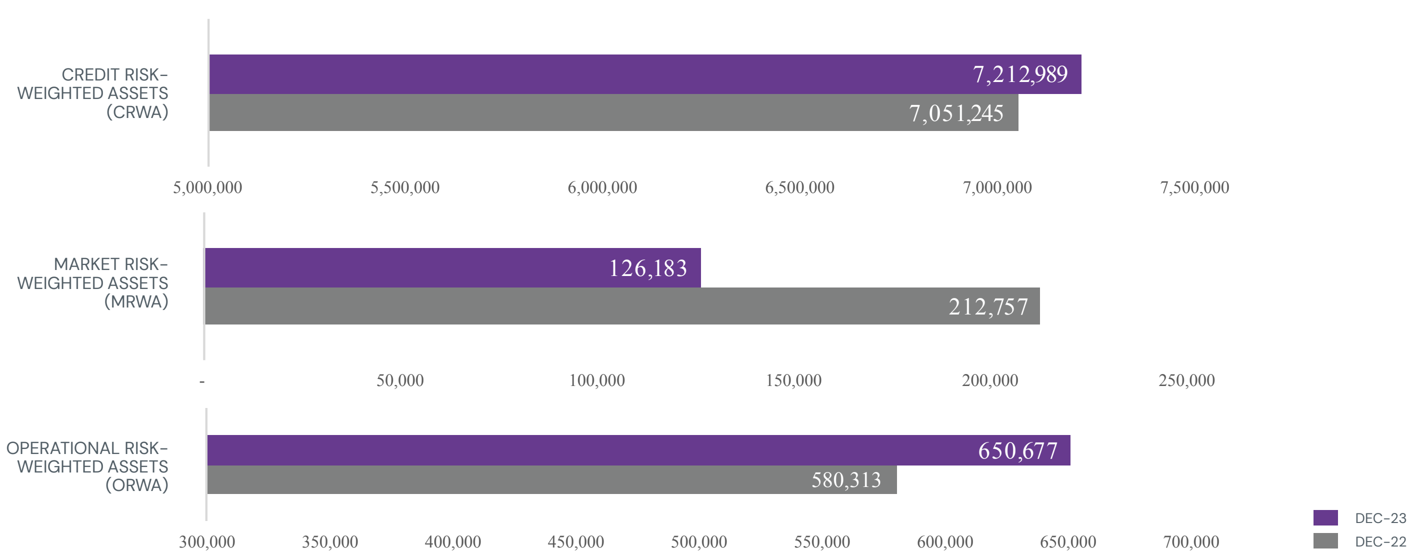
Under the standard model, MRWAs correspond to the sum of the MRWAs obtained for each of the four risk classes: interest rate, foreign currency, commodities and stock prices, the estimation of which is detailed in paragraph 3 of Chapter 21-7 of the RAN.

Finally, Chapter 21-8 of the RAN establishes the standardized methodology that banks must use to calculate operational risk-weighted assets (hereinafter ORWA).

This calculation methodology has been established in accordance with international recommendations on the subject (Basel III), allowing the Bank's historical operating losses to be included to the extent that the regulatory conditions and requirements are met.

In order to calculate the ORWAs indicated in this regulation, the use of internal methodologies referred to in the second paragraph of article 67 of the LGB will not be allowed. Adherence to the guidelines set forth in this standard will be part of the CMF's management assessment of banks in the area of operational risks, which is addressed in paragraph 3.2 (c) of Title II, Chapter 1-13 of the RAN.

Below is the evolution from December 2022 to December 2023 of Banco Security's Risk Weighted Assets (RWA) at the Global Consolidated level (in MCH$):



NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

IV. DOMESTIC STABILITY BUFFERS

Additional capital requirements, or capital buffers, are tools to increase the resilience of the banking system, particularly in the face of financial stress events, reducing the impact of adverse situations on the lending market and the rest of the economy. These were introduced in Articles 66 bis and 66 ter of the amendment to the LGB, in accordance with the Basel III framework.

Two additional capital buffers are introduced, the capital conservation buffer (CCoB) and the countercyclical capital buffer (CCyB).

The CCoB is designed to be constituted during normal operating periods and it is used when idiosyncratic or systemic risks faced by the Bank materialize. The CCoB is a core capital requirement in addition to the minimum capital requirements established in the LGB. This charge is equivalent to 2.5% of risk-weighted assets (RWA), net of required allowances for loan losses, and must be constituted with common equity tier 1 (CET1) defined in accordance with the guidelines for measuring regulatory capital. To be classified in solvency level A, banks must comply with this buffer.

The CCyB is built when during a phase of credit expansion, which is associated with the accumulation of systemic risks, while it is reversed and/or used when these risks dissipate or materialize, as appropriate. Like the CCoB, the CCyB is a core capital requirement in addition to the minimum capital requirements. This charge is a variable value between 0% and 2.5% of RWA, net of required allowances for loan losses, and must be constituted with CET1 capital. To be classified in solvency level A, banks must comply with this buffer.

The CCyB will be activated by a resolution of the BCCh's Board, with a prior favorable report from the CMF. This agreement will define the additional core capital requirement to be applied generally to all banking companies incorporated or authorized to operate in Chile, as well as the implementation period, which may not be less than 6 months. Under the same procedure, the BCCh, by agreement of its Board and with a prior favorable report of the CMF, will determine the deactivation of the countercyclical buffer and the term in which it should materialize.

In this regard, during the Financial Policy Meeting (FPM) of the first half of 2023, the BCCh Board agreed to activate the Countercyclical Capital Requirement (CCR) at a level of 0.5% of risk-weighted assets, due within one year (May 2024), as a precautionary measure in the face of greater external financial uncertainty, given the recent events in developed markets and the persistence of inflationary pressures.

The purpose of the requirement is to build up a capital buffer available in the event of severe stress scenarios. Should they materialize, this buffer is released and, thanks to this additional margin, the negative impacts of a restriction in the credit supply are mitigated.

Minimum capital requirements should be measured considering two levels of consolidation, namely global consolidated and domestic consolidated (which excludes foreign subsidiaries). Measurement of compliance with capital buffers should consider both levels.

In the event of a deficit, the Bank must restrict dividend payments and the purchase of Bank shares by its controlling shareholders will be prohibited, unless authorized by the CMF, both of which act as capital conservation mechanisms. The restriction on dividend payments is proportional to the compliance deficit.

This standard is effective as of December 1, 2020. As of December 1, 2021, the CCoB requirement is 0.625%, increasing by the same percentage each year, until December 1, 2024. The same transitional requirement will apply for the maximum value of the CCyB as defined by the BCCh.

V. CAPITAL PLANNING, MANAGEMENT AND MONITORING

Capital is managed and monitored to ensure that the Bank keeps capital at a level consistent with its risk profile and business model, and to encourage the

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

development and use of appropriate processes for monitoring and managing the risks it faces, in order to ensure optimal use of capital and regulatory capital. This means defining and maintaining a target level of core and regulatory capital, in such a way that it is an effective safeguard to absorb unexpected losses, maintaining adequate buffers over the legal requirements of Pillar 1 of Basel III, maximizing shareholder return and ensuring legal/regulatory compliance currently established by Chilean legislation and Basel III standards.

In accordance with the requirements of the General Banking Law, the minimum regulatory capital requirements, specified in Article 66 of the LGB, are general for the industry, so an institution should not rely solely on its compliance when making its assessment of the adequacy of its regulatory capital.

In order to determine the internal regulatory capital target, once the minimum requirements of Article 66 of the LGB have been met, entities must carry out a capital self-assessment process, through which they will review and assess their relevant risks and estimate the capital safeguards necessary to cover all their material risks and maintain an adequate buffer to face fluctuations in the value of their exposures. This internal target, in each of its quality levels (CET1, T1 and T2), should be the basis for projecting capital needs for credit, market, operational and other material risks, within the framework of strategic planning. Therefore, its estimation must be prospective in nature, considering the planning horizon and future needs.

The internal regulatory capital target is, therefore, that which the Bank considers necessary to maintain both currently and in the future, formally contemplated in its capital planning process and which is in accordance with the risks inherent to its activity, the economic environment in which it operates, its governance, risk management and control systems, its strategic business plan, the quality of the available capital and the real possibilities of obtaining greater capital, should it be necessary.

The determination of the internal regulatory capital target takes into account:

- The quantitative aspects of risk measurement, as well as the qualitative aspects of risk management and control.

- Capital planning that is commensurate with the risks inherent to its activity, the economic environment, governance, risk management and control systems, the strategic business plan and the quality of regulatory capital, under normal and stress scenarios.

- The real possibilities of raising additional equity, if necessary.

- Maintaining a level of capital sufficient to maintain an "A" solvency level in accordance with Chapter 1-13 of the RAN.

These allow the Bank to permanently maintain an adequate level to meet legal requirements with the buffer defined by the Board of Directors or, if applicable, required by the CMF.

In addition, the Planning and Management Division and the rest of the areas involved also define a target capital ratio under Basel III standards, based on the following aspects:

- Capital requirements of the CMF, as explained above, the capital target complies with Article 66 of the LGB, considering: the conservation buffer, the countercyclical buffer, CET1, T1, T2 requirements and capital discounts, with the objective of ensuring compliance throughout the implementation schedule and maintaining solvency at level A.

- Capital planning: evaluation of the projection of capital adequacy ratios in accordance with financial planning and the budget approved by the Board of Directors, incorporating Basel III calculation changes for credit, market and operational risk-weighted assets and capital discounts in the top-down projection. Other material risks that the Bank may face and the adequacy of its solvency will also be considered.

- Risk appetite levels, both in normal environment and under stress scenarios, in order to be the link between

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

strategic planning and risk appetite around financial capital planning.

• Stress testing: analysis of capital destruction caused by a stress scenario, considering both internal stress testing (IAPE) and testing proposed by the CMF.

• Local and international benchmarking: consideration of the capital buffers available to both local competitors and the industry in other geographies with Basel III implemented.

Capital planning is fundamental to achieving strategic objectives, and in this sense, it is considered annually within the strategic planning process. A detailed analysis of current and future capital requirements in relation to the Bank's strategic objectives and the risks to which it is exposed is conducted annually. In addition, the capital planning process incorporates rigorous stress tests that integrate all risks, identifying possible events or changes in market conditions that could affect the institution. The Planning and Management Division is responsible for ensuring that the Bank's strategic plan clearly outlines the Bank's capital requirements in relation to projected balance sheet growth, under normal and stress scenarios, mergers and acquisitions, board-approved risk tolerance and access to external capital resources.

The objective of making capital needs projections is to ensure optimal use of capital and to guarantee that the Bank's regulatory capital, at each of its levels (CET1, T1 and T2), will be adequate to cover all material risks, both under a normal baseline scenario and a stress scenario, for the financial planning horizon. The capital plan also makes it possible to determine measures to restore the Bank's solvency levels in the event of capital stress events projected for the horizon in question.

In particular, the capital projection considers the sources and consumption of capital associated with the Bank's strategic business plan, projecting capitalized profits, dividend payments, stock issuances, hybrid capital issuances, subordinated capital issuances, and any other element that may impact the supply of capital.

In addition, in order to guarantee the best possible risk management, the Bank sets levels and types of risks it is willing to take on in implementing its business strategy and that, in turn, enable it to ensure compliance with current standards and regulatory requirements.

Monitoring of the metrics and their limits is performed once a month, reviewing the limits and alerts of the metrics established in the Risk Appetite Statement, which were proposed by the Risk Division or the Comprehensive Risk Committee, as appropriate, and approved by the Board of Directors. The metrics are presented through the risk appetite report. In the event that a deviation of any metric is found in this update, the Comprehensive Risk Committee or the Strategy and Capital Committee, as appropriate, must consolidate an action plan to keep it within the corresponding thresholds. The first line of defense is responsible for executing the action plan.

VI. REGULATORY CAPITAL RATIOS

The Bank continues to maintain strong, high-quality capital levels that position it well for future challenges. The CET1 ratio as of December 31, 2023 was 10.81%, an increase of 94 basis points from the previous year, due to the increase in owners' equity (+11.66%) and the increase, to a lesser extent, in Risk Weighted Assets (+1, 86%), particularly due to the increase in Operational Risk Weighted Assets (12.13%) and Credit Risk Weighted Assets (2.29%), offset by the decrease in Market Risk Weighted Assets (-40.69%).

The Bank's Tier 1 capital ratio was 10.81% at December 31, 2023, an increase of 44 basis points from December 31, 2022. This increase is due to the reasons explained above; however, the increase was lower due to the transfer of subordinated bonds and voluntary provisions classified as AT1 to T2, in line with compliance with the limits established in Article 66 of the LGB, where subordinated bonds and voluntary provisions

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

accounted for as AT1 instruments, had to comply with the limit of 0.5% of Risk Weighted Assets (RWA) until December 1, 2023, a replacement limit that decreased to 0% as of the aforementioned date.

The total capital ratio was 15.78% as of December 31 2023, an increase of 99 basis points from last year.

The leverage ratio was 7.81%, up 32 basis points in December 2023, due to the increase in owners' equity (11.66%) versus the increase in total assets (6.98%).

The Bank's capital ratios continue to far exceed the CMF minimum capital requirements (considering conservation buffer charge) for December 2023 of 6.4%, 7.9% and 9.9% for CET1, Tier 1 and total capital, respectively. The same holds true for the required limits for an A solvency rating of 7.0% for core capital and 10.5% for total capital.

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

Total assets, risk-weighted assets and regulatory capital components - MCH$

Item Number	Total assets, risk-weighted assets and regulatory capital components under Basel III - Item description	Note	Local and global consolidation December 31, 2023 MCh$	Local and global consolidation December 31, 2022 MCh$
1	Total assets according to the statement of financial position		10,454,479	9,799,121
2	Investment in unconsolidated subsidiaries	a	0	0
3	Assets discounted from regulatory capital, other than item 2	b	47,104	16,663
4	Loan equivalents	c	259,324	184,581
5	Contingent loans	d	387,568	365,603
6	Assets generated by brokering financial instruments	e	0	0
7	**= (1-2-3+4+5-6) Total assets for regulatory purposes**		**11,054,267**	**10,332,642**
8. a	Credit risk-weighted assets, estimated using standard method (CRWA)	f	7,212,989	7,051,245
8. b	Credit risk-weighted assets, estimated using internal methods (CRWA)	f	-	-
9	Market risk-weighted assets (MRWA)	g	126,183	212,757
10	Operational risk-weighted assets (ORWA)	h	650,677	580,313
11. a	**= (8.a/8.b+9+10) Risk-weighted assets (RWA)**		**7,989,850**	**7,844,315**
11. b	**= (8.a/8.b+9+10) Risk-weighted assets, after applying the output floor (RWA)**		**7,989,850**	**7,844,315**
12	Equity attributable to owners		883,831	791,564
13	Non-controlling interest	i	54	51
14	Goodwill	j	9,209	13,039
15	Excess minority investments	k	0	0
16	= (12+13-14-15) Common equity tier 1 equivalent (CET1)		874,676	778,576
17	Additional deductions to common equity tier 1, other than item 2	l	10,846	4,109
18	**= (16-17-2) Common Equity Tier 1 (CET1)**		**863,830**	**774,467**
19	Voluntary (additional) allowances for loan losses as Additional Tier 1 capital (AT1)	m	0	21,000
20	Subordinated bonds as Additional Tier 1 capital (AT1)	m	0	18,222
21	Preferred shares as Additional Tier 1 capital (AT1)		0	0
22	Bonds with no fixed maturity as Additional Tier 1 capital (AT1)		0	0
23	Discounts applied to AT1	l	0	0
24	**= (19+20+21+22+22-23) Additional Tier 1 capital (AT1)**		**0**	**39,222**
25	**= (18+24) Tier 1 Capital**		**863,830**	**813,689**
26	Voluntary (additional) allowances for loan losses as Additional Tier 2 capital (T2)	n	25,000	0
27	Subordinated bonds as Tier 2 capital (T2)	n	372,032	346,792
28	**= (26+27) Tier 2 capital equivalent (T2)**		**397,032**	**346,792**
29	Discounts applied to T2	l	0	0
30	**= (28-29) Tier 2 capital (T2)**		**397,032**	**346,792**
31	**= (25+30) Regulatory capital**		**1,260,862**	**1,160,480**
32	**Additional core capital required for the conservation buffer**	**p**	**149,810**	**98,054**
33	**Additional core capital required for the countercyclical buffer**	**q**	**0**	**0**
34	**Additional core capital required for systemic banks**	**r**	**0**	**0**
35	**Additional capital required for sufficient regulatory capital (Pillar 2)**	**s**	**0**	**0**

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS (CONTINUED)

Basel III solvency indicators and regulatory compliance indicators (in % with two decimal places)

Item Number	Basel III solvency indicators and regulatory compliance indicators (in % with two decimal places)(*)	Note	Local and global consolidation December 31, 2023 %	Local and global consolidation December 31, 2022 %
1	**Leverage indicator (T1_I18/ T1_I7)**		**7.81%**	**7.50%**
1.a	Leverage indicator to be met by the Bank, considering the minimum requirements		3.00%	3.00%
2	**Core capital indicator (T1_I18 / T1_I11.b)**		**10.81%**	**9.87%**
2,1	Core capital indicator to be met by the Bank, considering the minimum requirements		4.50%	4.50%
2.b	Capital buffer deficit		0.00%	0.00%
3	**Tier 1 capital indicator (T1_I25 / T1_I11.b)**		**10.81%**	**10.37%**
3.a	Capital indicator to be met by the Bank considering the minimum requirements		6.00%	6.00%
4	**Regulatory capital indicator (T1_I31 / T1_I11.b)**		**15.78%**	**14.79%**
4.a	Regulatory capital indicator to be met by the Bank, considering the minimum requirements		8.00%	8.00%
4.b	Regulatory capital indicator to be met by the Bank, considering the charge for article 35 bis, if applicable.		8.00%	8.00%
4.c	Regulatory capital indicator to be met by the Bank, considering the minimum requirements, regulatory and countercyclical buffers		9.88%	9.25%
5	**Solvency rating**	**a**	**A**	**A**
	Regulatory solvency compliance indicators			
6	**Additional voluntary allowances as Tier 2 capital (T2) in relation to CRWAs (T1_I26/(T1_I8.a or 8.b))**	**b**	**0.35%**	**0.00%**
7	**Subordinated bonds as Tier 2 capital (T2) in relation to core capital**	**c**	**43.07%**	**44.78%**
8	**Additional Tier 1 capital (AT1) in relation to core capital (T1_I24/T1_I18)**	**d**	**0.00%**	**5.06%**
9	**Voluntary additional allowances for loan losses and subordinated bonds as Additional Tier 1 capital (AT1) in relation to RWAs ((T1_I19+T1_I20)/T1_I11.b)**	**e**	**0.00%**	**0.50%**

NOTE 49- SUBSEQUENT EVENTS

BANCO SECURITY

On January 25, 2024, the Board of Directors of Grupo Security has learned that shareholders representing 65.23% of the issued voting shares (parent and controlling company of Banco Security) have signed with Bicecorp S.A. and its controlling company Forestal O'Higgins S.A., a Business Closing Agreement, whereby the parties have agreed to merge Bicecorp S.A., Grupo Security S.A., and their respective subsidiaries, including Banco Security, subject to conditions precent customary in this type of transaction, including the authorizations of the corresponding regulators.

This merger will be structured through a tender offer for shares of Grupo Security S.A.,in accordance with the provisions of Section XXV of the Securities Market Act, which will be launched jointly and indivisibly by Forestal O'Higgins S.A. and Bicecorp S.A. This also includes the subsequent merger by incorporation of Grupo Security S.A. into Bicecorp S.A., through the transactions, acts and contracts to be entered into in the form, terms and conditions set forth in the Agreement, whose main terms and conditions were informed by Grupo Security S.A. by means of a material event filed on January 24, 2024.

In accordance with the provisions of CMF Circular No. 988, we inform you that at this stage it is not possible to quantify the effects of this Material Event on the results of Banco Security.

As of the date of issuance of these Consolidated Financial Statements, Banco Security has reported the following bond placements in the local market and registered in the Securities Register of the Financial Market Commission:

Report Date	Securities Registration Number	Series	Code	Amount	Currency	Maturity	Average Rate
January 22, 2024	03/2023	C6	BSECC61222	209	UF	January 1, 2009	3.74%

Administradora General de Fondos Security S.A.

On January 25, 2024, the Board of Directors of Grupo Security has learned that shareholders representing 65.23% of the issued voting shares (controlling company of Administradora General de Fondos Security S.A.) have entered into a Business Closing Agreement with Bicecorp S.A. and its controlling company Forestal O'Higgins S.A., whereby the parties have agreed to merge Bicecorp S.A., Grupo Security S.A., and their respective subsidiaries, including Administradora General de Fondos Security S.A., subject to conditions precedent customary for this type of transactions, including the authorizations of the corresponding regulators.

This merger will be structured through a tender offer for shares of Grupo Security S.A.,in accordance with the provisions of Section XXV of the Securities Market Act, which will be launched jointly and indivisibly by Forestal O'Higgins S.A. and Bicecorp S.A. This also includes the subsequent merger by incorporation of Grupo Security S.A. into Bicecorp S.A., through the transactions, acts and contracts to be entered into in the form, terms and conditions set forth in the Agreement, whose main terms and conditions were informed by Grupo Security S.A. by means of a material event filed on January 24, 2024.

In accordance with the provisions of CMF Circular No. 988, we inform you that at this stage it is not possible to quantify the effects of this Material Event on the results of Administradora General de Fondos Security S.A.

Valores Security S.A. Corredores de Bolsa

On January 25, 2024, the Board of Directors of Grupo Security has learned that shareholders representing 65.23% of the issued voting shares (controlling company of Administradora General de Fondos Security S.A.) have entered into a Business Closing Agreement with Bicecorp S.A. and its controlling company Forestal O'Higgins S.A., whereby the parties have agreed to merge Bicecorp S.A., Grupo Security S.A., and their respective subsidiaries, including Administradora General de Fondos Security S.A., subject to conditions precedent customary for this type of transactions, including the authorizations of the corresponding regulators.

This merger will be structured through a tender offer for shares of Grupo Security S.A.,in accordance with the provisions of Section XXV of the Securities Market Act, which will be launched jointly and indivisibly by Forestal O'Higgins S.A. and Bicecorp S.A. This also includes the subsequent merger by incorporation of Grupo Security S.A. into Bicecorp S.A., through the transactions, acts and contracts to be entered into in the form, terms and conditions set forth in the Agreement, whose main terms and conditions were informed by Grupo Security S.A. by means of a material event filed on January 24, 2024.

In accordance with the provisions of Ruling No. 988 of the CMF, we inform you that at this stage it is not possible to quantify the effects that this material event on the results of Valores Security S.A. Corredores de Bolsa.

The Consolidated Financial Statements of Banco Security for the year ended December 31, 2023, were approved by the Board of Directors on February 22, 2024.

In management's opinion, there are no other significant subsequent events that affect or may affect the consolidated financial statements of Banco Security and its subsidiaries between December 31, 2023, and the date of issuance of these consolidated financial statements.

OMAR K. ABUSADA G.
Subgerente de Contabilidad

EDUARDO OLIVARES V.
Gerente General

STATEMENT OF RESPONSIBILITY
INTEGRATED REPORT

The undersigned, as Directors and Chief Executive Officer of Grupo Security, located at Av. Apoquindo 3150, 15th floor, Las Condes, Santiago, Chile, hereby declare under oath that the information contained in this annual report is a true expression of the facts, and therefore, we assume the corresponding legal responsibility.

RENATO PEÑAFIEL MUÑOZ
RUT: 6.350.390-8

JORGE MARÍN CORREA
RUT: 7.639.707-4

ANA SAINZ DE VICUÑA
RUT: 48.128.454-6

GONZALO PAVEZ ARO
RUT: 9.417.024-9

BERNARDO FONTAINE TALAVERA
RUT: 6.371.763-0

FERNANDO SALINAS PINTO
RUT: 8.864.773-4

RAMÓN ELUCHANS OLIVARES
RUT: 6.464.460-2

CONSUELO RABY GUARDA
RUT: 11.703.205-1

JUAN CRISTOBAL PAVEZ RECART
RUT: 9.901.478-4

NAOSHI MATSUMOTO COURDURIER
RUT: 9.496.299-4

BANCO security